

***PERRY TOWNSHIP  
RICHLAND COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2006 & 2005***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Perry Township  
2025 Coursen Road  
Bellville, Ohio 44813

We have reviewed the *Report of Independent Accountants* of Perry Township, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2005 through December 31, 2006. 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.

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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 29, 2007

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**PERRY TOWNSHIP  
RICHLAND COUNTY  
AUDIT REPORT**

For the years ended December 31, 2006 and 2005

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**PERRY TOWNSHIP  
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For the years ended December 31, 2006 and 2005

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*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

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**REPORT OF INDEPENDENT ACCOUNTANTS**

**Perry Township  
Richland County  
2025 Coursen Road  
Bellville, Ohio 44813**

**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 (Township), Richland County, Ohio, as of and for the years ended December 31, 2006 and 2005, 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 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 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 basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township, as of December 31, 2006 and 2005, and the respective changes in cash basis financial position and the budgetary comparison for the General fund, Gasoline Tax fund, Road and Bridge fund, Fire District fund, Road District fund, and Permissive Sales Tax fund for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2006 and 2005, the Township revised its financial statement presentation comparable to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

**Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.**

**In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2007 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. 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.**

***Charles E. Harris & Associates, Inc.***

**June 12, 2007**



Perry Township  
Richland County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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This discussion and analysis of Perry Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2006 and 2005, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

### **Highlights**

Key highlights for 2006 and 2005 are as follows:

Net assets of governmental activities increased \$48,709, or 8 percent in 2006 and \$113,038 or 23 percent in 2005, a significant change from the prior years.

The Township's general receipts are primarily property and other local taxes. These receipts represent 70 percent for 2006 and 73 percent for 2005 of the total cash received for governmental activities. Property and local taxes receipts for 2006 changed very little compared to 2005 as development within the Township has slowed.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Perry Township  
Richland County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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**Reporting the Township as a Whole**

The statement of net assets and the statement of activities reflect how the Township did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and local taxes.

In the statement of net assets and the statement of activities, the Township has one types of activity:

Governmental activities. All of the Township's basic services are reported here, including road and cemetery maintenance. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The Township only has governmental funds.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Road District Fund, and Permissive Sales Tax Fund.

Perry Township  
 Richland County  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2006 and 2005  
 Unaudited

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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2006 compared to 2005 on the cash basis. Since this is the first year the Township has reported on this method, there are no comparisons to 2004.

(Table 1)  
**Net Assets**

	Governmental Activities	
	2006	2005
<b>Assets</b>		
Cash and Cash Equivalents	\$ 649,047	\$ 600,338
Total Assets	\$ 649,047	\$ 600,338
<b>Net Assets</b>		
Restricted for:		
Capital Projects	\$ 5,445	\$ 5,445
Other Purposes	58,873	522,941
Unrestricted	84,729	71,952
Total Net Assets	\$ 149,047	\$ 600,338

As mentioned previously, net assets of governmental activities increased \$48,709 or 8 percent during 2006, and \$113,038 or 23 percent in 2005.

Table 2 reflects the changes in net assets in 2006 and 2005 respectively. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Perry Township  
Richland County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

(Table 2)  
**Changes in Net Assets**

	Governmental Activities 2006	Governmental Activities 2005
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ -	\$ 503
Operating Grants and Contributions	117,833	113,898
Total Program Receipts	<u>117,833</u>	<u>114,401</u>
General Receipts:		
Property and Other Local Taxes	228,024	219,293
Grants and Entitlements Not Restricted to Specific Programs	23,535	71,655
Interest	22,308	10,778
Miscellaneous	7,097	9,214
Total General Receipts	<u>280,964</u>	<u>310,940</u>
Total Receipts	<u>398,797</u>	<u>425,341</u>
Disbursements:		
General Government	75,394	80,275
Public Safety	37,389	31,002
Public Works	220,384	199,338
Health	172	1,688
Capital Outlay	16,749	-
Total Disbursements	<u>350,088</u>	<u>312,303</u>
Increase (Decrease) in Net Assets	48,709	113,038
Net Assets, January 1	600,338	487,300
Net Assets, December 31	<u>\$ 649,047</u>	<u>\$ 600,338</u>

Program receipts represent 30 percent in 2006 and 27 percent in 2005 of total receipts and are primarily comprised of restricted intergovernmental receipts such as building permits, inspection fees, and charges for services.

General receipts represent 70 percent in 2006 and 73 percent in 2005 of the Township's total receipts, and of this amount, over 87 percent in 2006 and 76 percent in 2005 are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts, 13 percent in 2006 and 24 percent in 2005. Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities.

Perry Township  
 Richland County  
 Management's Discussion and Analysis  
 For the Years Ended December 31, 2006 and 2005  
 Unaudited

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**Governmental Activities**

If you look at the Statement of Activities on page 11 and 12, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is for public works, which accounts for 63 and 64 percent of all governmental disbursements in 2006 and 2005, respectively. The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	<b>Governmental Activities</b>		<b>Governmental Activities</b>	
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2006</u>		<u>2005</u>	
General Government	\$ 75,394	\$ (53,087)	\$ 80,275	\$ (69,497)
Public Safety	37,389	(37,389)	31,002	(31,002)
Public Works	220,384	(124,858)	199,338	(112,932)
Health	172	(172)	1,688	(1,185)
Capital Outlay	16,749	(16,749)	-	-
Other	-	-	-	16,714
<b>Total Expenses</b>	<b><u>\$ 350,088</u></b>	<b><u>\$ (232,255)</u></b>	<b><u>\$ 312,303</u></b>	<b><u>\$ (197,902)</u></b>

The dependence upon property and other local tax receipts is apparent as over 66 percent in 2006 and over 63 percent in 2005 of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$398,797 and \$425,341 in 2006 and 2005, and disbursements of \$350,088 and \$312,303 in 2006 and 2005. The fund balance of the General Fund increased \$12,777 in 2006 and \$34,959 in 2005.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Road District Fund and Permissive Sales Tax Fund.

Perry Township  
Richland County  
Management's Discussion and Analysis  
For the Years Ended December 31, 2006 and 2005  
Unaudited

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During 2006 and 2005, the Township amended its General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Road District Fund and Permissive Sales Tax Fund budgets several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

For the General Fund, final disbursements were budgeted at \$102,600 while actual disbursements were \$60,519 in 2006, final disbursements were budgeted at \$89,032 while actual disbursements were \$64,317 in 2005. The result is an increase in fund balance of \$12,777 for 2006 and \$34,959 for 2005.

**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not currently keep track of its capital assets and infrastructure.

**Current Issues**

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Township relies heavily on local taxes and intergovernmental revenues to provide safe and secure neighborhoods.

**Contacting the Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Beth Fry, Fiscal Officer, 2025 Coursen Rd., Bellville, Ohio 44813.

**Perry Township, Richland County**

*Statement of Net Assets - Cash Basis*

*For the Year Ended December 31, 2006*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 649,047</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$ 5,445
Other Purposes	558,873
Unrestricted	<u>84,729</u>
<i>Total Net Assets</i>	<u>\$ 649,047</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**

*Statement of Net Assets - Cash Basis*

*For the Year Ended December 31, 2005*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 600,338</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$ 5,445
Other Purposes	522,941
Unrestricted	<u>71,952</u>
<i>Total Net Assets</i>	<u>\$ 600,338</u>

See accompanying notes to the basic financial statements



**Perry Township, Richland County**

*Statement of Activities - Cash Basis*

*For the Year Ended December 31, 2006*

	Cash Disbursements	Program Cash Receipts	Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
				Governmental Activities
<b>Governmental Activities</b>				
General Government	\$ 75,394	\$ 22,307		\$ (53,087)
Public Safety	37,389	-		(37,389)
Public Works	220,384	95,526		(124,858)
Health	172	-		(172)
Capital Outlay	16,749	-		(16,749)
<i>Total Governmental Activities</i>	<u>\$ 350,088</u>	<u>\$ 117,833</u>		(232,255)
<b>General Receipts</b>				
Property Taxes Levied for:				
General Purposes				22,096
Special Purposes				205,928
Grants and Entitlements not Restricted to Specific Programs				23,535
Interest				22,308
Miscellaneous				7,097
<i>Total General Receipts</i>				<u>280,964</u>
Change in Net Assets				48,709
<i>Net Assets Beginning of Year</i>				<u>600,338</u>
<i>Net Assets End of Year</i>				<u>\$ 649,047</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2005*

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions
			Governmental Activities
<b>Governmental Activities</b>			
General Government	\$ 80,275	-	\$ 10,778
Public Safety	31,002	-	-
Public Works	199,338	-	86,406
Health	1,688	\$ 503	-
Other	-	-	16,714
<i>Total Governmental Activities</i>	<u>\$ 312,303</u>	<u>\$ 503</u>	<u>\$ 113,898</u>
			(197,902)
<b>General Receipts</b>			
Property Taxes Levied for:			
General Purposes			19,162
Special Purposes			200,131
Grants and Entitlements not Restricted to Specific Programs			71,655
Interest			10,778
Miscellaneous			9,214
<i>Total General Receipts</i>			<u>310,940</u>
Change in Net Assets			113,038
<i>Net Assets Beginning of Year</i>			<u>487,300</u>
<i>Net Assets End of Year</i>			<u>\$ 600,338</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire District Fund	Road District Fund	Permissive Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Equity in Pooled Cash and Cash Equivalents	\$ 84,729	\$ 104,780	\$ 71,373	\$ 176,339	\$ 102,663	\$ 63,634	\$ 45,529	\$ 649,047
<b>Fund Balances</b>								
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	\$ 84,729	-	-	-	-	-	-	\$ 84,729
Special Revenue Funds	-	\$ 104,780	\$ 71,373	\$ 176,339	\$ 102,663	\$ 63,634	\$ 40,084	558,873
Capital Projects Funds	-	-	-	-	-	-	5,445	5,445
<i>Total Fund Balances</i>	<u>\$ 84,729</u>	<u>\$ 104,780</u>	<u>\$ 71,373</u>	<u>\$ 176,339</u>	<u>\$ 102,663</u>	<u>\$ 63,634</u>	<u>\$ 45,529</u>	<u>\$ 649,047</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2005*

	<u>General</u>	<u>Gasoline Tax Fund</u>	<u>Road and Bridge Fund</u>	<u>Fire District Fund</u>	<u>Road District Fund</u>	<u>Permissive Sales Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>								
Equity in Pooled Cash and Cash Equivalents	\$ 71,952	\$ 81,270	\$ 79,393	\$ 164,668	\$ 74,180	\$ 94,620	\$ 34,255	\$ 600,338
<b>Fund Balances</b>								
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	\$ 71,952	-	-	-	-	-	-	\$ 71,952
Special Revenue Funds	-	\$ 81,270	\$ 79,393	\$ 164,668	\$ 74,180	\$ 94,620	\$ 28,810	522,941
Capital Projects Funds	-	-	-	-	-	-	5,445	5,445
<i>Total Fund Balances</i>	<u>\$ 71,952</u>	<u>\$ 81,270</u>	<u>\$ 79,393</u>	<u>\$ 164,668</u>	<u>\$ 74,180</u>	<u>\$ 94,620</u>	<u>\$ 34,255</u>	<u>\$ 600,338</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire District Fund	Road District Fund	Permissive Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and Other Local Taxes	\$ 22,096	-	\$ 36,828	\$ 42,880	\$ 28,703	\$ 97,517	-	\$ 228,024
Intergovernmental	32,350	\$ 85,545	4,702	5,184	3,606	-	\$ 9,981	141,368
Interest	17,688	3,327	-	-	-	-	1,293	22,308
Other	1,162	-	4,380	996	559	-	-	7,097
<i>Total Receipts</i>	<u>73,296</u>	<u>88,872</u>	<u>45,910</u>	<u>49,060</u>	<u>32,868</u>	<u>97,517</u>	<u>11,274</u>	<u>398,797</u>
<b>Disbursements</b>								
Current:								
General Government	60,032	-	-	-	-	15,361	-	75,393
Public Safety	-	-	-	37,389	-	-	-	37,389
Public Works	-	65,165	37,693	-	4,385	113,142	-	220,385
Health	172	-	-	-	-	-	-	172
Capital Outlay	315	197	16,237	-	-	-	-	16,749
<i>Total Disbursements</i>	<u>60,519</u>	<u>65,362</u>	<u>53,930</u>	<u>37,389</u>	<u>4,385</u>	<u>128,503</u>	<u>-</u>	<u>350,088</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	12,777	23,510	(8,020)	11,671	28,483	(30,986)	11,274	48,709
<i>Fund Balances Beginning of Year</i>	<u>71,952</u>	<u>81,270</u>	<u>79,393</u>	<u>164,668</u>	<u>74,180</u>	<u>94,620</u>	<u>34,255</u>	<u>600,338</u>
<i>Fund Balances End of Year</i>	<u>\$ 84,729</u>	<u>\$ 104,780</u>	<u>\$ 71,373</u>	<u>\$ 176,339</u>	<u>\$ 102,663</u>	<u>\$ 63,634</u>	<u>\$ 45,529</u>	<u>\$ 649,047</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Cash Receipts, Cash Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire District Fund	Road District Fund	Permissive Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>								
Property and Other Local Taxes	\$ 19,162	-	\$ 31,882	\$ 39,495	\$ 26,675	\$ 102,079	-	\$ 219,293
Intergovernmental	69,616	\$ 76,687	4,375	5,297	3,649	-	\$ 26,432	186,056
Interest	8,965	1,191	-	-	-	-	622	10,778
Other	1,533	-	4,247	2,694	740	-	-	9,214
<i>Total Receipts</i>	<u>99,276</u>	<u>77,878</u>	<u>40,504</u>	<u>47,486</u>	<u>31,064</u>	<u>102,079</u>	<u>27,054</u>	<u>425,341</u>
<b>Disbursements</b>								
Current:								
General Government	62,691	-	-	-	-	17,584	-	80,275
Public Safety	-	-	-	31,002	-	-	-	31,002
Public Works	-	60,918	40,578	-	6,003	80,822	11,017	199,338
Capital Outlay	1,626	-	-	62	-	-	-	1,688
<i>Total Disbursements</i>	<u>64,317</u>	<u>60,918</u>	<u>40,578</u>	<u>31,064</u>	<u>6,003</u>	<u>98,406</u>	<u>11,017</u>	<u>312,303</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	34,959	16,960	(74)	16,422	25,061	3,673	16,037	113,038
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	12,297	-	-	-	4,417	-	16,714
Transfers Out	-	-	-	-	-	-	(16,714)	(16,714)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>12,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,417</u>	<u>(16,714)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	34,959	29,257	(74)	16,422	25,061	8,090	(677)	113,038
<i>Fund Balances Beginning of Year</i>	<u>36,993</u>	<u>52,013</u>	<u>79,467</u>	<u>148,246</u>	<u>49,119</u>	<u>86,530</u>	<u>34,932</u>	<u>487,300</u>
<i>Fund Balances End of Year</i>	<u>\$ 71,952</u>	<u>\$ 81,270</u>	<u>\$ 79,393</u>	<u>\$ 164,668</u>	<u>\$ 74,180</u>	<u>\$ 94,620</u>	<u>\$ 34,255</u>	<u>\$ 600,338</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 19,000	\$ 19,000	\$ 22,096	\$ 3,096
Intergovernmental	30,977	30,977	32,350	1,373
Earnings on Investments	5,000	5,000	17,688	12,688
Other	500	500	1,162	662
<i>Total receipts</i>	<u>55,477</u>	<u>55,477</u>	<u>73,296</u>	<u>17,819</u>
<b>Disbursements</b>				
Current:				
General Government	92,100	92,100	60,032	32,068
Health	2,000	2,000	172	1,828
Other	8,500	8,500	315	8,185
<i>Total Disbursements</i>	<u>102,600</u>	<u>102,600</u>	<u>60,519</u>	<u>42,081</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(47,123)	(47,123)	12,777	59,900
<i>Fund Balance Beginning of Year</i>	<u>71,952</u>	<u>71,952</u>	<u>71,952</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 24,829</u>	<u>\$ 24,829</u>	<u>\$ 84,729</u>	<u>\$ 59,900</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 92,000	\$ 19,200	\$ 19,162	\$ (38)
Intergovernmental	-	70,112	69,616	(496)
Interest	-	3,000	8,965	5,965
Other	-	1,000	1,533	533
<i>Total receipts</i>	<u>92,000</u>	<u>93,312</u>	<u>99,276</u>	<u>5,964</u>
<b>Disbursements</b>				
Current:				
General Government	79,532	79,532	62,691	16,841
Health	1,000	1,000	-	1,000
Other	8,500	8,500	-	8,500
Capital Outlay	-	-	1,626	(1,626)
<i>Total Disbursements</i>	<u>89,032</u>	<u>89,032</u>	<u>64,317</u>	<u>24,715</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,968	4,280	34,959	30,679
<i>Fund Balance Beginning of Year</i>	<u>36,993</u>	<u>36,993</u>	<u>36,993</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 39,961</u>	<u>\$ 41,273</u>	<u>\$ 71,952</u>	<u>\$ 30,679</u>

See accompanying notes to the basic financial statements



**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 51,500	\$ 51,500	\$ 85,545	\$ 34,045
Interest	700	700	3,327	2,627
<i>Total receipts</i>	52,200	52,200	88,872	36,672
<b>Disbursements</b>				
Current:				
Public Works	105,000	105,000	65,165	39,835
Capital Outlay	27,000	27,000	197	26,803
<i>Total Disbursements</i>	132,000	132,000	65,362	66,638
<i>Excess of Receipts Over (Under) Disbursements</i>	(79,800)	(79,800)	23,510	103,310
<i>Fund Balance Beginning of Year</i>	81,270	81,270	81,270	-
<i>Fund Balance End of Year</i>	\$ 1,470	\$ 1,470	\$ 104,780	\$ 103,310

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Gasoline Tax Fund*  
*For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 103,563	\$ 51,200	\$ 76,687	\$ 25,487
Interest	-	350	1,191	841
<i>Total receipts</i>	<u>103,563</u>	<u>51,550</u>	<u>77,878</u>	<u>26,328</u>
<b>Disbursements</b>				
Current:				
Public Works	88,000	88,000	60,918	27,082
Capital Outlay	<u>15,213</u>	<u>15,213</u>	<u>-</u>	<u>15,213</u>
<i>Total Disbursements</i>	<u>103,213</u>	<u>103,213</u>	<u>60,918</u>	<u>42,295</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	350	(51,663)	16,960	68,623
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>12,297</u>	<u>12,297</u>
<i>Net Change in Fund Balance</i>	350	(51,663)	29,257	80,920
<i>Fund Balance Beginning of Year</i>	<u>52,013</u>	<u>52,013</u>	<u>52,013</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 52,363</u>	<u>\$ 350</u>	<u>\$ 81,270</u>	<u>\$ 80,920</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Road and Bridge Fund  
 For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 32,000	\$ 32,000	\$ 36,828	\$ 4,828
Intergovernmental	3,000	3,000	4,702	1,702
Other	900	900	4,380	3,480
<i>Total receipts</i>	<u>35,900</u>	<u>35,900</u>	<u>45,910</u>	<u>10,010</u>
<b>Disbursements</b>				
Current:				
Public Works	93,200	93,200	37,693	55,507
Capital Outlay	20,000	20,000	16,237	3,763
<i>Total Disbursements</i>	<u>113,200</u>	<u>113,200</u>	<u>53,930</u>	<u>59,270</u>
<i>Net Change in Fund Balance</i>	(77,300)	(77,300)	(8,020)	69,280
<i>Fund Balance Beginning of Year</i>	<u>79,393</u>	<u>79,393</u>	<u>79,393</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,093</u>	<u>\$ 2,093</u>	<u>\$ 71,373</u>	<u>\$ 69,280</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 116,366	\$ 32,000	\$ 31,882	\$ (118)
Intergovernmental	-	4,000	4,375	375
Other	-	900	4,247	3,347
<i>Total receipts</i>	<u>116,366</u>	<u>36,900</u>	<u>40,504</u>	<u>3,604</u>
<b>Disbursements</b>				
Current:				
Public Works	96,367	96,367	40,578	55,789
Capital Outlay	20,000	20,000	-	20,000
<i>Total Disbursements</i>	<u>116,367</u>	<u>116,367</u>	<u>40,578</u>	<u>75,789</u>
<i>Net Change in Fund Balance</i>	(1)	(79,467)	(74)	79,393
<i>Fund Balance Beginning of Year</i>	<u>79,467</u>	<u>79,467</u>	<u>79,467</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 79,466</u>	<u>\$ -</u>	<u>\$ 79,393</u>	<u>\$ 79,393</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Fire District Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 40,000	\$ 40,000	\$ 42,880	\$ 2,880
Intergovernmental	1,000	1,000	5,184	4,184
Other	300	300	996	696
<i>Total receipts</i>	<u>41,300</u>	<u>41,300</u>	<u>49,060</u>	<u>7,760</u>
<b>Disbursements</b>				
Current:				
Public Safety	52,000	52,000	37,389	14,611
Capital Outlay	20,000	20,000	-	20,000
<i>Total Disbursements</i>	<u>72,000</u>	<u>72,000</u>	<u>37,389</u>	<u>34,611</u>
<i>Net Change in Fund Balance</i>	(30,700)	(30,700)	11,671	42,371
<i>Fund Balance Beginning of Year</i>	<u>164,668</u>	<u>164,668</u>	<u>164,668</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 133,968</u>	<u>\$ 133,968</u>	<u>\$ 176,339</u>	<u>\$ 42,371</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Fire District Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 193,545	\$ 40,000	\$ 39,495	\$ (505)
Intergovernmental	-	5,000	5,297	297
Other	-	300	2,694	2,394
<i>Total receipts</i>	<u>193,545</u>	<u>45,300</u>	<u>47,486</u>	<u>2,186</u>
<b>Disbursements</b>				
Current:				
Public Safety	183,546	183,546	31,002	152,544
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>62</u>	<u>9,938</u>
<i>Total Disbursements</i>	<u>193,546</u>	<u>193,546</u>	<u>31,064</u>	<u>162,482</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1)	(148,246)	16,422	164,668
<i>Fund Balance Beginning of Year</i>	<u>148,246</u>	<u>148,246</u>	<u>148,246</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 148,245</u>	<u>\$ -</u>	<u>\$ 164,668</u>	<u>\$ 164,668</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road District Fund*  
*For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 27,000	\$ 27,000	\$ 28,703	\$ 1,703
Intergovernmental	300	300	3,606	3,306
Other	-	-	559	559
<i>Total receipts</i>	<u>27,300</u>	<u>27,300</u>	<u>32,868</u>	<u>5,568</u>
<b>Disbursements</b>				
Current:				
Public Works	39,000	39,000	4,385	34,615
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<i>Total Disbursements</i>	<u>89,000</u>	<u>89,000</u>	<u>4,385</u>	<u>84,615</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(61,700)	(61,700)	28,483	90,183
<i>Fund Balance Beginning of Year</i>	<u>74,180</u>	<u>74,180</u>	<u>74,180</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 12,480</u>	<u>\$ 12,480</u>	<u>\$ 102,663</u>	<u>\$ 90,183</u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road District Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 79,118	\$ 26,500	\$ 26,675	\$ 175
Intergovernmental	-	3,500	3,649	149
Other	-	300	740	440
<i>Total receipts</i>	<u>79,118</u>	<u>30,300</u>	<u>31,064</u>	<u>764</u>
<b>Disbursements</b>				
Current:				
Public Works	39,419	39,419	6,003	33,416
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<i>Total Disbursements</i>	<u>79,419</u>	<u>79,419</u>	<u>6,003</u>	<u>73,416</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(301)	(49,119)	25,061	74,180
<i>Fund Balance Beginning of Year</i>	<u>49,119</u>	<u>49,119</u>	<u>49,119</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 48,818</u>	<u>\$ -</u>	<u>\$ 74,180</u>	<u>\$ 74,180</u>

See accompanying notes to the basic financial statements



**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Permissive Sales Tax Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 95,400	\$ 95,400	\$ 97,517	\$ 2,117
<b>Disbursements</b>				
Current:				
General Government	30,000	30,000	15,361	14,639
Public Works	150,000	150,000	113,142	36,858
<i>Total Disbursements</i>	<u>180,000</u>	<u>180,000</u>	<u>128,503</u>	<u>51,497</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(84,600)	(84,600)	(30,986)	53,614
<i>Fund Balance Beginning of Year</i>	<u>94,620</u>	<u>94,620</u>	<u>94,620</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 10,020</u></u>	<u><u>\$ 10,020</u></u>	<u><u>\$ 63,634</u></u>	<u><u>\$ 53,614</u></u>

See accompanying notes to the basic financial statements

**Perry Township, Richland County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Permissive Sales Tax Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 180,604	\$ 94,075	\$ 102,079	\$ 8,004
<b>Disbursements</b>				
Current:				
General Government	20,000	20,000	17,584	2,416
Public Works	160,605	160,605	80,822	79,783
<i>Total Disbursements</i>	<u>180,605</u>	<u>180,605</u>	<u>98,406</u>	<u>82,199</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1)	(86,530)	3,673	90,203
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>4,417</u>	<u>4,417</u>
<i>Net Change in Fund Balance</i>	(1)	(86,530)	8,090	94,620
<i>Fund Balance Beginning of Year</i>	<u>86,530</u>	<u>86,530</u>	<u>86,530</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 86,529</u>	<u>-</u>	<u>\$ 94,620</u>	<u>\$ 94,620</u>

See accompanying notes to the basic financial statements

**Note 1 – Reporting Entity**

Perry Township, Richland 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. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, including road and cemetery maintenance.

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**

As discussed further in Note 2.C, 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, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its governmental activities. Following are the more significant of the Township's accounting policies.

**A. 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, except for fiduciary funds. 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.

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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The statement of net assets presents the cash balance 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 is 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. Fiduciary funds are reported by type.

#### B. 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 all governmental.

#### Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, the Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Road District Fund, and Permissive Sales Tax Fund. The General Fund is used to account for all financial resources, except those required to be accounted for 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. The Gasoline Tax Fund receives gasoline taxes for maintaining and repairing Township roads. The Road and Bridge Fund receives property tax money for constructing, maintaining and repairing Township roads and bridges. The Fire District Fund receives special levy tax money for providing fire services to Township residents. The Road District Fund receives proceeds from a special tax levy to fund road construction and maintenance. The Permissive Sales Tax Fund receives County-levied tax money for constructing, maintaining and repairing Township roads and bridges.

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

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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C. 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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. 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 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.

The appropriation 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 level for all funds.

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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriation 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.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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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 2006 and 2005 were \$17,688 and \$8,965, respectively.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has restricted assets for Capital Projects and Other Purposes.

G. 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.

H. 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.

I. 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.

J. 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.

K. 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 health care benefits.

L. 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 are reported at inception. Lease payments are reported when paid. The Township had no such transactions in 2006 and 2005.

**M. 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. The Township had restricted net assets in 2006 and 2005 for Capital Projects and Other Purposes.

**N. 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 Basis of Accounting**

Last year the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**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 – Budgetary Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire District Fund, Road District Fund and Permissive Sales Tax 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 that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The Township had no encumbrances outstanding at either year-end.

**Note 5 – Deposits and Investments**

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet current demands on the Township treasury. Such 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 Township has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by 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.

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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Interim monies may 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 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits 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 December 31, 2006, \$559,872 of the Township's bank balance of \$659,872 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 December 31, 2005, \$514,518 of the Township's bank balance of \$614,518 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.



Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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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.

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Township's investment policy addresses interest rate risk by requiring that the Township's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments. At year-end, the Township had no investments.

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2006 and 2005, were \$7.50 and \$9.00 respectively, per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 and 2005 property tax receipts were based are as follows:

	2006		2005
<b>Real Property</b>		<b>Real Property</b>	
Residential and Agricultural	\$ 19,345,570	Residential and Agricultural	\$ 18,638,030
Other	833,870	Other	866,210
<b>Tangible Personal Property</b>	<u>727,020</u>	<b>Tangible Personal Property</b>	<u>772,630</u>
<b>Total Assessed Value</b>	<u>\$ 20,906,460</u>	<b>Total Assessed Value</b>	<u>\$ 20,276,870</u>

**Note 7 – Risk Management**

During 2006 and 2005, the Township has obtained insurance for the following risks through the Ohio Government Risk Management Plan:

- Comprehensive property and general liability
- Wrongful acts
- Employee benefit liability
- Cemetery
- Professional liability and
- Vehicles

Settled Claims have not exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

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

**Risk Pool Membership**

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to 515 and 465 Ohio governments ("Members"), as of December 31, 2006 and 2005.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan pays the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other obligation to the Plan. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

The Pool'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, 2006 and 2005:

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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	2006	2005
<b>Assets</b>	<b>\$ 9,620,148</b>	<b>\$ 8,219,430</b>
<b>Liabilities</b>	<b>3,329,620</b>	<b>2,748,639</b>
<b>Member's Equity</b>	<b>\$ 6,290,528</b>	<b>\$ 5,470,791</b>

You can read the complete audited financial statements for the Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plan**

**A. Ohio Public Employees Retirement System**

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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. Bath Township participates only in the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, members were required to contribute 9.0 percent of their annual covered salaries and the Township's contribution rate for 2006 was 13.70 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional plan for the years ended December 31, 2006, 2005, and 2004 were \$12,928, \$12,883, and \$10,534 respectively. The full amount has been contributed for all three years.

**Note 9 - Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with the traditional plan. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional plan is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70 percent of covered payroll; 4.50 percent of covered payroll was the portion that was used to fund health care.

Perry Township, Richland County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006 and 2005

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Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, (the latest info available), include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

As of December 31, 2006, the number of active contributing participants in the traditional and combined plans was 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$4,246. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 10 – Contingent Liabilities/ Subsequent Events**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Management believes there are no pending claims or lawsuits.

**Note 11 – Interfund Transfers**

In 2005, the Township transferred \$12,297 and \$4,417 from the FEMA fund to the Gasoline Tax Fund and Permissive Sales Tax Fund, respectively, for storm water damage repairs. The transfers met all applicable requirements of the FEMA grant agreement and the Ohio Revised Code.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Perry Township  
Richland County  
2025 Coursen Road  
Bellville, Ohio 44813

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, Richland County, Ohio (the Township) as of and for the years ended December 31, 2006 and 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 12, 2007, wherein we noted that the Township followed the cash basis of accounting rather than generally accepted accounting principles. 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.

**Internal Controls 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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

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, grants agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the Township in a separate letter dated June 12, 2007.

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

***Charles E. Harris & Associates, Inc.***  
June 12, 2007

**STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS**

The prior audit report, for the years ending December 31, 2004 and 2003, reported no material citations or recommendations.







**Mary Taylor, CPA**  
Auditor of State

**PERRY TOWNSHIP**

**RICHLAND 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  
JULY 12, 2007**