

**THORN TOWNSHIP  
PERRY COUNTY**

**FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Thorn Township  
PO Box 419  
Thornville, Ohio 43076

We have reviewed the *Independent Auditors' Report* of Thorn Township, Perry County, prepared by Jones, Cochenour & Co. 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. Thorn Township is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 25, 2008

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## INDEPENDENT AUDITORS' REPORT

Thorn Township  
Thornville, OH

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thorn Township, Perry County, (the "Township"), 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Thorn Township, Perry County, Ohio as of December 31, 2006 and 2005, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire District, and EMS thereof for the year then ended December 31, 2006 and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire District, and EMS thereof for the year then ended December 31, 2005 in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Government Accounting Standards No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 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. 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.

*much more than an accounting firm*

The Township has not presented the management's discussion and analysis for the year ended December 31, 2005 and has presented the management's discussion and analysis for the year ended December 31, 2006. The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.  
October 31, 2007



**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

This discussion and analysis of Thorn Township's financial performance provides an overall review of the township's financial activities for the year ended December 31, 2006, 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 are as follows:

Net assets of governmental activities increased slightly, by \$26,251 or 4 percent, from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund. The Fire and EMS Funds, on the other hand, had decreases in cash and cash equivalents,

The township's general receipts are primarily property taxes. These receipts represent 70 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 increased as compared to 2005 due to continuing development within the township.

The township placed a bond issue on the November 2006 ballot for 1.5 mills for the construction of a new Fire/EMS facility. The bond issue failed. A citizen initiated referenda to repeal all township zoning also failed in that election.

The township purchased a parcel of land for the construction of a future Fire/EMS facility and paid the final payment on a lease purchase agreement for a fire truck.

**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 Thorn 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.

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

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.

**Reporting the Government as a Whole**

The statement of net assets and the statement of activities reflect how the Thorn Township did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. 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 or business-type activity 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 Thorn 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 income taxes.

In the statement of net assets and the statement of activities, we divide the township into two types of activities:

**Governmental activities.** Most of the township's basic services are reported here, including EMS, fire, roads, and parks. 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.

**Business-type activity.** The township has no business-type activity.

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

Fund financial statements provide detailed information about Thorn 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 funds of the township are split into three categories: governmental, proprietary and fiduciary.

**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. Thorn 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, Gas Tax Fund, Road and Bridge Fund, Fire Fund, and EMS Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

**Proprietary Funds –** When a township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The township has no enterprise funds. When the services are provided to other department in the township, the service is reported as an internal service fund. The township has no internal service fund.

**Fiduciary Funds –** Fiduciary funds are used to account for resources held for the benefit of parties outside the township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the township's programs. The township has no fiduciary funds.

**The Government as a Whole**

Table 1 provides a summary of the township's net assets for 2006 compared to 2005 on a cash basis:

		<b>Table 1 Net Assets</b>			
		<u>Governmental Activities</u>		<u>Fiduciary</u>	
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>					
Cash and cash equivalents		\$ 592,229	\$ 565,978	\$ 7,791	\$ 7,588
	<b>TOTAL ASSETS</b>	<u>\$ 592,229</u>	<u>\$ 565,978</u>	<u>\$ 7,791</u>	<u>\$ 7,588</u>
<b>NET ASSETS</b>					
<b>Restricted for:</b>					
Permanent Fund		\$ -	\$ -	\$ 1,474	\$ 1,458
Other purposes		378,108	429,937	-	-
Unrestricted		214,121	136,041	6,317	6,130
	<b>TOTAL NET ASSETS</b>	<u>\$ 592,229</u>	<u>\$ 565,978</u>	<u>\$ 7,791</u>	<u>\$ 7,588</u>

As mentioned previously, net assets of governmental activities increased \$26,251 or 4 percent during 2006. The primary reason contributing to the increase in cash balances as follows:

**Increased growth in local tax receipts. Over the last five years, new development has resulted in increases in assessed valuation.**

Table 2 reflects the changes in net assets on a cash basis in 2006 and 2005 for governmental activities, business-type activities and total primary government.

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

**Table 2  
Changes in Net Assets**

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<b>RECEIPTS:</b>		
<b>Program Receipts:</b>		
Charges for services and sales	\$ 71,681	\$ 69,240
Operating grants and contributions	96,399	96,897
<b>Total Program Receipts</b>	<u>168,080</u>	<u>166,137</u>
<b>General Receipts:</b>		
Property and other local taxes	324,755	288,753
Other taxes	20,089	51,443
Grants and entitlements not restricted to specific programs	64,124	148,995
Interest	29,929	4,577
Miscellaneous	26,135	10,038
<b>Total General Receipts</b>	<u>465,032</u>	<u>503,806</u>
Sale of notes	-	65,000
<b>TOTAL RECEIPTS</b>	<u>633,112</u>	<u>734,943</u>
<b>DISBURSEMENTS:</b>		
General government	159,030	129,124
Public safety	93,113	97,585
Public works	140,319	172,781
Health	25	-
Human services	1,712	-
Other	2,520	738
Capital outlay	135,577	153,802
Principal retirement	68,059	84,835
Interest and fiscal charges	6,506	8,675
<b>TOTAL DISBURSEMENTS</b>	<u>606,861</u>	<u>647,540</u>
Excess (Deficiency) Before Transfers	26,251	87,403
Transfers	-	-
<b>Increase (Decrease) in Net Assets</b>	<u>26,251</u>	<u>87,403</u>
Net Assets, January 1, 2006	<u>565,978</u>	<u>478,575</u>
<b>Net Assets, December 31, 2006</b>	<u>\$ 592,229</u>	<u>\$ 565,978</u>

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

Program receipts represent only 27 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees.

General receipts represent 73 percent of the township's total receipts, and of this amount, over 70 percent are local taxes. State and federal grants and entitlements make up the balance of the township's general receipts (14 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for Thorn Township represent the overhead costs of running the township and the support services provided for the other township activities. These include the costs for the Board of Trustees and Fiscal Officer as well as the zoning office. Since these costs do not represent direct services to residents, we work to manage these costs to the extent possible.

**Government Activities**

If you look at the Statement of Activities, 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 disbursements for governmental activities are for transportation and security of persons and property, which account for 23 and 15 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 26 percent. The next three 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 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  
Governmental Activities**

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
General government	\$ 159,030	\$ (159,030)	\$ 129,124	\$ (129,124)
Public safety	93,113	(93,113)	97,585	(89,898)
Public works	140,319	(46,031)	172,781	(82,409)
Other	2,520	71,272	738	67,341
Health	25	(25)	-	-
Human Services	1,712	(1,712)	-	-
Capital Outlay	135,577	(135,577)	153,802	(153,802)
Principal retirement	68,059	(68,059)	84,835	(84,835)
Interest and fiscal charges	6,506	(6,506)	8,675	(8,675)
<b>TOTAL EXPENSES</b>	<b>\$ 606,861</b>	<b>\$ (438,781)</b>	<b>\$ 647,540</b>	<b>\$ (481,402)</b>

The dependence upon property tax receipts is apparent as over 70 percent of governmental activities are supported through these general receipts.

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2006  
Unaudited**

**The Township's Funds**

Total township funds had receipts of \$633,112 and disbursements of \$606,861. The greatest change within township funds occurred within the General Fund. The fund balance of the General Fund increased by \$76,379 as the result of increased property tax revenue, interest, and zoning fees.

The Fire and EMS funds saw decreases in their fund balances due to the purchase of land for the future site of a new Fire/EMS facility. It is anticipated that both of these funds will be stable next year, particularly since fire pumper truck was paid off this year.

**General Fund Budgeting Highlights**

Thorn Township's budget is prepared according to Ohio law and is based upon accounting transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2006, the township amended its General Fund budget three times to reflect the receipt of unexpected revenue. Final budgeted receipts were higher than original budgeted receipts due to unexpected revenue. The difference between final budgeted receipts and actual receipts was \$21,026.

Final disbursements were budgeted at \$280,697 while actual disbursements were \$159,205. Since receipts were greater than expected, the appropriations were increased throughout the year. The result was the increase in fund balances of \$76,379 for 2006.

**Debt Administration**

**Debt**

At December 31, 2006, the Township's outstanding debt included \$95,739 on outstanding notes for a dump truck and emergency squad vehicle. Both of these vehicles will be paid off in 2009.

**Current Issues**

The challenge for all townships is to provide quality service to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes which we predict will increase slightly over time due to current and anticipated development. Thorn Township appears to be stable financially as long as we continue to spend wisely and conservatively and plan ahead for future needs as well as possible emergencies.

**Contacting Thorn Township's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Thorn 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 Linda M. Meyer, Fiscal Officer, Thorn Township, P.O. Box 419, Thornville, Ohio. Phone and Fax: 740-426-4400

**THORN TOWNSHIP, PERRY COUNTY, OHIO  
STATEMENT OF NET ASSETS –CASH BASIS  
December 31, 2006**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	<u>\$    592,229</u>
<b>TOTAL ASSETS</b>	<u>          592,229</u>
<b>NET ASSETS</b>	
Restricted for:	
Other purposes	378,108
Unrestricted	<u>214,121</u>
<b>TOTAL NET ASSETS</b>	<u><u>          \$    592,229</u></u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF ACTIVITIES –CASH BASIS**  
**For the Year Ended December 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Total
<b>Governmental Activities</b>					
General government	\$ 159,030	\$ -	\$ -	\$ (159,030)	\$ (159,030)
Public safety	93,113	-	-	(93,113)	(93,113)
Public works	140,319	-	94,288	(46,031)	(46,031)
Health	25	-	-	(25)	(25)
Human Services	1,712	-	-	(1,712)	(1,712)
Other	2,520	71,681	2,111	71,272	71,272
Capital outlay	135,577	-	-	(135,577)	(135,577)
Debt Services:					-
Principal	68,059	-	-	(68,059)	(68,059)
Interest	6,506	-	-	(6,506)	(6,506)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>606,861</u>	<u>71,681</u>	<u>96,399</u>	<u>(438,781)</u>	<u>(438,781)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 606,861</u>	<u>\$ 71,681</u>	<u>\$ 96,399</u>	<u>\$ (438,781)</u>	<u>\$ (438,781)</u>

See accompanying notes to the basic financial statements



**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF ACTIVITIES –CASH BASIS - CONTINUED**  
**For the Year Ended December 31, 2006**

	Net (Disbursements) Receipts and Changes in Net Assets	
	Governmental Activities	Total
<b>GENERAL RECEIPTS</b>		
Property taxes	\$ 324,755	\$ 324,755
Other taxes	20,089	20,089
Grants and entitlements not restricted to specific program	64,124	64,124
Earnings on investments	29,929	29,929
Miscellaneous	26,135	26,135
<b>TOTAL GENERAL RECEIPTS</b>	<b>465,032</b>	<b>465,032</b>
 Change in net assets	 26,251	 26,251
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>565,978</b>	<b>565,978</b>
<b>NET ASSETS END OF YEAR</b>	<b>\$ 592,229</b>	<b>\$ 592,229</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**December 31, 2006**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash	\$ 212,420	\$ 69,698	\$ 51,903	\$ 132,634	\$ 105,933	\$ 19,641	\$ 592,229
<b>TOTAL ASSETS</b>	<u>212,420</u>	<u>69,698</u>	<u>51,903</u>	<u>132,634</u>	<u>105,933</u>	<u>19,641</u>	<u>592,229</u>
<b>FUND BALANCES</b>							
<b>Reserved:</b>							
Reserved for Encumbrances	1,772	-	-	1,071	630	-	3,473
<b>Unreserved:</b>							
<b>Undesignated (Deficit) Reported In:</b>							
General fund	210,648	-	-	-	-	-	210,648
Special revenue fund	-	69,698	51,903	131,563	105,303	19,641	378,108
<b>TOTAL FUND BALANCES</b>	<u>\$ 212,420</u>	<u>\$ 69,698</u>	<u>\$ 51,903</u>	<u>\$ 132,634</u>	<u>\$ 105,933</u>	<u>\$ 19,641</u>	<u>\$ 592,229</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2006**

	General	Gasoline Tax	Road and Bridge	Fire District	EMS	Other Governmental Funds	Total
<b>RECEIPTS</b>							
Property and other local taxes	\$ 61,734	\$ -	\$ 96,282	\$ 106,439	\$ 61,490	\$ -	\$ 325,945
Charges for services	-	-	-	-	7,788	-	7,788
Licenses, permits and fees	63,641	-	-	-	-	-	63,641
Intergovernmental	83,306	80,919	1,367	89	-	15,081	180,762
Earnings on investments	18,387	10,150	-	-	-	1,393	29,930
Miscellaneous	8,516	284	2,904	4,673	4,031	4,622	25,030
<b>TOTAL RECEIPTS</b>	<b>235,584</b>	<b>91,353</b>	<b>100,553</b>	<b>111,201</b>	<b>73,309</b>	<b>21,096</b>	<b>633,096</b>
<b>DISBURSEMENTS</b>							
<b>Current:</b>							
General government	\$ 159,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,030
Public safety	150	-	-	51,583	41,380	-	93,113
Public works	-	60,500	66,199	-	-	13,620	140,319
Health	25	-	-	-	-	-	25
Human services	-	-	-	-	-	1,712	1,712
Capital outlay	-	-	7,687	74,598	53,292	-	135,577
<b>Debt Service:</b>							
Principal retirement	-	-	13,000	30,263	24,796	-	68,059
Interest and fiscal charges	-	-	2,280	1,619	2,607	-	6,506
<b>TOTAL DISBURSEMENTS</b>	<b>159,205</b>	<b>60,500</b>	<b>89,166</b>	<b>158,063</b>	<b>122,075</b>	<b>15,332</b>	<b>604,341</b>
Excess of Receipts Over (Under) Disbursements	76,379	30,853	11,387	(46,862)	(48,766)	5,764	28,755
<b>OTHER FINANCING SOURCES (USES)</b>							
Other financing sources	-	-	-	16	-	-	16
Other financing uses	-	-	-	(2,520)	-	-	(2,520)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,504)</b>	<b>-</b>	<b>-</b>	<b>(2,504)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>76,379</b>	<b>30,853</b>	<b>11,387</b>	<b>(49,366)</b>	<b>(48,766)</b>	<b>5,764</b>	<b>26,251</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>136,041</b>	<b>38,845</b>	<b>40,516</b>	<b>182,000</b>	<b>154,699</b>	<b>13,877</b>	<b>565,978</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 212,420</b>	<b>\$ 69,698</b>	<b>\$ 51,903</b>	<b>\$ 132,634</b>	<b>\$ 105,933</b>	<b>\$ 19,641</b>	<b>\$ 592,229</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**1000 GENERAL**  
**For the Year Ended December 31, 2006**

	<u>Budget 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	\$ 47,380	\$ 49,377	\$ 61,734	\$ 12,357
Licenses, permits and fees	41,200	61,824	63,641	1,817
Fines and forfeitures	-	1,000	-	(1,000)
Intergovernmental	32,430	80,062	83,306	3,244
Earnings on investments	2,266	14,303	18,387	4,084
Miscellaneous	5,150	7,992	8,516	524
<b>TOTAL RECEIPTS</b>	<b>128,426</b>	<b>214,558</b>	<b>235,584</b>	<b>21,026</b>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
General government	176,352	239,337	159,030	80,307
Public safety	2,228	2,228	150	2,078
Health	50	50	25	25
Capital outlay	2,822	2,822	-	2,822
<b>TOTAL DISBURSEMENTS</b>	<b>181,452</b>	<b>244,437</b>	<b>159,205</b>	<b>85,232</b>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<b>(53,026)</b>	<b>(29,879)</b>	<b>76,379</b>	<b>106,258</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(36,210)	(36,210)	-	36,210
Other financing sources	-	50	-	(50)
Other financing uses	(50)	(50)	-	50
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,260)</b>	<b>(36,210)</b>	<b>-</b>	<b>36,210</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(89,286)</b>	<b>(66,089)</b>	<b>76,379</b>	<b>142,468</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>136,070</b>	<b>136,070</b>	<b>135,973</b>	<b>-</b>
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>-</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 46,852</b>	<b>\$ 70,049</b>	<b>\$ 212,420</b>	<b>\$ 142,468</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2021 GASOLINE TAX**  
**For the Year Ended December 31, 2006**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>RECEIPTS</b>				
Intergovernmental	\$ 61,800	\$ 70,309	\$ 80,919	\$ 10,610
Earnings on investments	464	2,000	10,150	8,150
Miscellaneous	1,545	500	284	(216)
<b>TOTAL RECEIPTS</b>	<u>63,809</u>	<u>72,809</u>	<u>91,353</u>	<u>18,544</u>
<b>DISBURSEMENTS</b>				
Current:				
Public works	97,654	97,654	60,500	37,154
Capital outlay	5,000	5,000	-	5,000
<b>TOTAL DISBURSEMENTS</b>	<u>102,654</u>	<u>102,654</u>	<u>60,500</u>	<u>42,154</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(38,845)</u>	<u>(29,845)</u>	<u>30,853</u>	<u>60,698</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(38,845)</u>	<u>(29,845)</u>	<u>30,853</u>	<u>60,698</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	38,666	38,666	38,666	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	<u>179</u>	<u>179</u>	<u>179</u>	<u>-</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$ -</u>	<u>\$ 9,000</u>	<u>\$ 69,698</u>	<u>\$ 60,698</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2031 ROAD AND BRIDGE**  
**For the Year Ended December 31, 2006**

	<u>Budget 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	\$ 76,790	\$ 96,014	\$ 96,282	\$ 268
Intergovernmental	6,695	5,050	1,367	(3,683)
Miscellaneous	515	500	2,904	2,404
<b>TOTAL RECEIPTS</b>	<b>84,000</b>	<b>101,564</b>	<b>100,553</b>	<b>(1,011)</b>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public works	78,840	78,840	66,199	12,641
Capital outlay	24,720	24,720	7,687	17,033
<b>Debt Service:</b>				
Principal retirement	13,000	13,000	13,000	-
Interest and fiscal charges	2,280	2,280	2,280	-
<b>TOTAL DISBURSEMENTS</b>	<b>118,840</b>	<b>118,840</b>	<b>89,166</b>	<b>29,674</b>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<b>(34,840)</b>	<b>(17,276)</b>	<b>11,387</b>	<b>28,663</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(34,840)</b>	<b>(17,276)</b>	<b>11,387</b>	<b>28,663</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>40,516</b>	<b>40,516</b>	<b>40,516</b>	<b>-</b>
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 5,676</b>	<b>\$ 23,240</b>	<b>\$ 51,903</b>	<b>\$ 28,663</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2111 FIRE DISTRICT**  
**For the Year Ended December 31, 2006**

	<u>Budget 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	\$ 105,060	\$ 102,007	\$ 106,439	\$ 4,432
Charges for services	773	251	-	(251)
Intergovernmental	13,390	12,800	89	(12,711)
Miscellaneous	3,605	4,000	4,673	673
<b>TOTAL RECEIPTS</b>	<u>122,828</u>	<u>119,058</u>	<u>111,201</u>	<u>(7,857)</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public safety	101,750	101,750	51,583	50,167
Capital outlay	164,225	164,225	74,598	89,627
<b>Debt Service:</b>				
Principal retirement	30,263	30,263	30,263	-
Interest and fiscal charges	1,619	1,619	1,619	-
<b>TOTAL DISBURSEMENTS</b>	<u>297,857</u>	<u>297,857</u>	<u>158,063</u>	<u>139,794</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(175,029)</u>	<u>(178,799)</u>	<u>(46,862)</u>	<u>131,937</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	-	50	16	(34)
Other financing uses	-	(3,200)	(2,520)	680
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(3,150)</u>	<u>(2,504)</u>	<u>646</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(175,029)</u>	<u>(181,949)</u>	<u>(49,366)</u>	<u>132,583</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	182,000	182,000	182,000	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	-	-	-	-
<b>FUND BALANCE END OF YEAR</b>	<u>\$ 6,971</u>	<u>\$ 51</u>	<u>\$ 132,634</u>	<u>\$ 132,583</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2901 THORN TOWNSHIP EMS**  
**For the Year Ended December 31, 2006**

	<u>Budget 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	\$ 57,520	\$ 61,229	\$ 61,490	\$ 261
Charges for services	6,180	7,000	7,788	788
Intergovernmental	10,506	8,000	-	(2,506)
Miscellaneous	2,060	1,500	4,031	2,531
<b>TOTAL RECEIPTS</b>	<u>76,266</u>	<u>77,729</u>	<u>73,309</u>	<u>1,074</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public safety	54,500	73,140	41,380	31,760
Capital outlay	150,624	131,885	53,292	78,593
<b>Debt Service:</b>				
Principal retirement	24,796	24,796	24,796	-
Interest and fiscal charges	2,607	2,607	2,607	-
<b>TOTAL DISBURSEMENTS</b>	<u>232,527</u>	<u>232,428</u>	<u>122,075</u>	<u>110,353</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(156,261)</u>	<u>(154,699)</u>	<u>(48,766)</u>	<u>111,427</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(156,261)</u>	<u>(154,699)</u>	<u>(48,766)</u>	<u>111,427</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	154,699	154,699	154,699	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	-	-	-	-
<b>FUND BALANCE END OF YEAR</b>	<u>\$ (1,562)</u>	<u>\$ -</u>	<u>\$ 105,933</u>	<u>\$ 111,427</u>

See accompanying notes to the basic financial statements



**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF NET ASSETS –CASH BASIS**  
**December 31, 2005**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	<u>\$    565,978</u>
<b>TOTAL ASSETS</b>	<u>          565,978</u>
<b>NET ASSETS</b>	
Restricted for:	
Other purposes	429,937
Unrestricted	<u>136,041</u>
<b>TOTAL NET ASSETS</b>	<u><u>          \$    565,978</u></u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF ACTIVITIES – CASH BASIS**  
**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	Total
<b>Governmental Activities</b>					
General government	\$ 129,124	\$ -	\$ -	\$ (129,124)	\$ (129,124)
Public safety	97,585	7,687	-	(89,898)	(89,898)
Public works	172,781	-	90,372	(82,409)	(82,409)
Other	738	61,553	6,525	67,341	67,341
Capital outlay	153,802	-	-	(153,802)	(153,802)
Debt Services:					-
Principal	84,835	-	-	(84,835)	(84,835)
Interest	8,675	-	-	(8,675)	(8,675)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>647,540</b>	<b>69,240</b>	<b>96,897</b>	<b>(481,402)</b>	<b>(481,402)</b>
<b>Business Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Business Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 647,540</b>	<b>\$ 69,240</b>	<b>\$ 96,897</b>	<b>\$ (481,402)</b>	<b>\$ (481,402)</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF ACTIVITIES –CASH BASIS - CONTINUED**  
**December 31, 2005**

	Net (Disbursements) Receipts and Changes in Net Assets	
	Governmental Activities	Total
<b>GENERAL RECEIPTS</b>		
Property taxes	\$ 288,753	\$ 288,753
Other taxes	51,443	51,443
Miscellaneous	10,038	10,038
Earnings on investments	4,577	4,577
Grants and entitlements not restricted for specific purposes	148,995	148,995
<b>TOTAL GENERAL RECEIPTS</b>	<b>503,806</b>	<b>503,806</b>
 <b>OTHER FINANCING SOURCES</b>		
Sale of notes	65,000	65,000
<b>TOTAL GENERAL RECEIPTS</b>	<b>568,806</b>	<b>568,806</b>
Change in net assets	87,403	87,403
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>478,575</b>	<b>478,575</b>
<b>NET ASSETS END OF YEAR</b>	<b>\$ 565,978</b>	<b>\$ 565,978</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**December 31, 2005**

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road and Bridge</u>	<u>Fire District</u>	<u>EMS</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash	\$ 136,041	\$ 38,845	\$ 40,516	\$ 182,000	\$ 154,699	\$ 13,877	\$ 565,978
<b>TOTAL ASSETS</b>	<u>136,041</u>	<u>38,845</u>	<u>40,516</u>	<u>182,000</u>	<u>154,699</u>	<u>13,877</u>	<u>565,978</u>
<b>FUND BALANCES</b>							
<b>Reserved:</b>							
Reserved for Encumbrances	68	179	-	-	-	-	247
<b>Unreserved:</b>							
<b>Undesignated (Deficit) Reported In:</b>							
General fund	135,973	-	-	-	-	-	135,973
Special revenue fund	-	38,666	40,516	182,000	154,699	13,877	429,758
<b>TOTAL FUND BALANCES</b>	<u>\$ 136,041</u>	<u>\$ 38,845</u>	<u>\$ 40,516</u>	<u>\$ 182,000</u>	<u>\$ 154,699</u>	<u>\$ 13,877</u>	<u>\$ 565,978</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2005**

	General	Gasoline Tax	Road and Bridge	Fire District	EMS	Other Governmental Funds	Total
<b>RECEIPTS</b>							
Property and other local taxes	\$ 48,561	\$ -	\$ 73,799	\$ 105,272	\$ 61,121	\$ -	\$ 288,753
Charges for services	-	-	-	94	7,593	-	7,687
Licenses, permits and fees	61,554	-	-	-	-	-	61,554
Intergovernmental	89,166	77,283	13,373	62,822	19,984	13,088	275,716
Earnings on investments	3,318	893	-	-	-	269	4,480
Miscellaneous	12,170	1,183	4,110	10,734	3,104	451	31,752
<b>TOTAL RECEIPTS</b>	<b>214,769</b>	<b>79,359</b>	<b>91,282</b>	<b>178,922</b>	<b>91,802</b>	<b>13,808</b>	<b>669,942</b>
<b>DISBURSEMENTS</b>							
<b>Current:</b>							
General government	\$ 129,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,124
Public safety	2,228	-	-	65,286	30,071	-	97,585
Public works	25,000	73,797	90,611	-	-	7,323	196,731
Capital outlay	51,556	3,950	65,000	7,345	2,001	-	129,852
<b>Debt Service:</b>							
Principal retirement	-	-	19,313	40,726	24,796	-	84,835
Interest and fiscal charges	-	-	2,106	3,156	3,413	-	8,675
<b>TOTAL DISBURSEMENTS</b>	<b>207,908</b>	<b>77,747</b>	<b>177,030</b>	<b>116,513</b>	<b>60,281</b>	<b>7,323</b>	<b>646,802</b>
Excess of Receipts Over (Under) Disbursements	<b>6,861</b>	<b>1,612</b>	<b>(85,748)</b>	<b>62,409</b>	<b>31,521</b>	<b>6,485</b>	<b>23,140</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Sales of notes	-	-	65,000	-	-	-	65,000
Other financing uses	(355)	-	-	(383)	-	-	(738)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(355)</b>	<b>-</b>	<b>65,000</b>	<b>(383)</b>	<b>-</b>	<b>-</b>	<b>64,262</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>6,506</b>	<b>1,612</b>	<b>(20,748)</b>	<b>62,026</b>	<b>31,521</b>	<b>6,485</b>	<b>87,403</b>
<b>FUND BALANCES BEGINNING OF YEAR</b>	<b>129,535</b>	<b>37,233</b>	<b>61,264</b>	<b>119,974</b>	<b>123,177</b>	<b>7,392</b>	<b>478,575</b>
<b>FUND BALANCES END OF YEAR</b>	<b>\$ 136,041</b>	<b>\$ 38,845</b>	<b>\$ 40,516</b>	<b>\$ 182,000</b>	<b>\$ 154,698</b>	<b>\$ 13,877</b>	<b>\$ 565,977</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**1000 GENERAL**  
**For the Year Ended December 31, 2005**

	<u>Budget 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	\$ 38,820	\$ 38,820	\$ 48,561	\$ 9,741
Licenses, permits and fees	20,000	20,000	61,554	41,554
Intergovernmental	20,150	20,150	89,166	69,016
Earnings on investments	2,000	2,000	3,318	1,318
Miscellaneous	1,000	1,000	12,170	11,170
<b>TOTAL RECEIPTS</b>	<b>81,970</b>	<b>81,970</b>	<b>214,769</b>	<b>132,799</b>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
General government	152,596	152,596	129,124	23,472
Public safety	2,300	2,300	2,228	72
Public works	25,000	25,000	25,000	-
Health	2,000	2,000	-	2,000
Capital outlay	59,273	59,273	51,556	7,717
<b>TOTAL DISBURSEMENTS</b>	<b>241,169</b>	<b>241,169</b>	<b>207,908</b>	<b>33,261</b>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<b>(159,199)</b>	<b>(159,199)</b>	<b>6,861</b>	<b>166,060</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(15,238)	(15,238)	-	15,238
Other financing uses	(557)	(557)	(355)	202
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(15,795)</b>	<b>(15,795)</b>	<b>(355)</b>	<b>15,440</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(174,994)</b>	<b>(174,994)</b>	<b>6,506</b>	<b>181,500</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>129,535</b>	<b>129,535</b>	<b>129,535</b>	<b>-</b>
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ (45,459)</b>	<b>\$ (45,459)</b>	<b>\$ 136,041</b>	<b>\$ 181,500</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2021 GASOLINE TAX**  
**For the Year Ended December 31, 2005**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>RECEIPTS</b>				
Intergovernmental	\$ 54,480	\$ 54,480	\$ 77,283	\$ 22,803
Earnings on investments	200	200	893	693
Miscellaneous	500	500	1,183	683
<b>TOTAL RECEIPTS</b>	<u>55,180</u>	<u>55,180</u>	<u>79,359</u>	<u>24,179</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public works	87,413	87,413	73,797	13,616
Capital outlay	5,000	5,000	3,950	1,050
<b>TOTAL DISBURSEMENTS</b>	<u>92,413</u>	<u>92,413</u>	<u>77,747</u>	<u>14,666</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(37,233)</u>	<u>(37,233)</u>	<u>1,612</u>	<u>38,845</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(37,233)</u>	<u>(37,233)</u>	<u>1,612</u>	<u>38,845</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	37,233	37,233	37,233	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	-	-	-	-
<b>FUND BALANCE END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,845</u>	<u>\$ 38,845</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL -BUDGET BASIS**  
**2031 ROAD AND BRIDGE**  
**For the Year Ended December 31, 2005**

	<u>Budget 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	\$ 72,053	\$ 72,053	\$ 73,799	\$ 1,746
Intergovernmental	4,050	4,050	13,373	9,323
Miscellaneous	500	500	4,110	3,610
<b>TOTAL RECEIPTS</b>	<u>76,603</u>	<u>76,603</u>	<u>91,282</u>	<u>14,679</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public works	116,448	116,448	90,611	25,837
Capital outlay	65,000	65,000	65,000	-
<b>Debt Service:</b>				
Principal retirement	19,313	19,313	19,313	-
Interest and fiscal charges	2,106	2,106	2,106	-
<b>TOTAL DISBURSEMENTS</b>	<u>202,867</u>	<u>202,867</u>	<u>177,030</u>	<u>25,837</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(126,264)</u>	<u>(126,264)</u>	<u>(85,748)</u>	<u>40,516</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of notes	-	-	65,000	(65,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>(65,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(126,264)</u>	<u>(126,264)</u>	<u>(20,748)</u>	<u>(24,484)</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	61,264	61,264	61,264	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$ (65,000)</u>	<u>\$ (65,000)</u>	<u>\$ 40,516</u>	<u>\$ (24,484)</u>

See accompanying notes to the basic financial statements



**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2111 FIRE DISTRICT**  
**For the Year Ended December 31, 2005**

	<u>Budget 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	\$ 97,333	\$ 97,333	\$ 105,272	\$ 7,939
Charges for services	500	500	94	(406)
Intergovernmental	8,000	93,004	62,822	(30,182)
Miscellaneous	1,300	1,300	10,734	9,434
<b>TOTAL RECEIPTS</b>	<u>107,133</u>	<u>192,137</u>	<u>178,922</u>	<u>(13,215)</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public safety	101,900	101,900	65,286	36,614
Capital outlay	124,474	124,474	7,345	117,129
<b>Debt Service:</b>				
Principal retirement	40,726	40,726	40,726	-
Interest and fiscal charges	3,156	3,156	3,156	-
<b>TOTAL DISBURSEMENTS</b>	<u>270,256</u>	<u>270,256</u>	<u>116,513</u>	<u>153,743</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(163,123)</u>	<u>(78,119)</u>	<u>62,409</u>	<u>140,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	2,000	2,000	-	(2,000)
Other financing uses	(3,200)	(3,200)	(383)	2,817
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,200)</u>	<u>(1,200)</u>	<u>(383)</u>	<u>817</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(164,323)</u>	<u>(79,319)</u>	<u>62,026</u>	<u>141,345</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	119,974	119,974	119,974	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	-	-	-	-
<b>FUND BALANCE END OF YEAR</b>	<u>\$ (44,349)</u>	<u>\$ 40,655</u>	<u>\$ 182,000</u>	<u>\$ 141,345</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**2901 THORN TOWNSHIP EMS**  
**For the Year Ended December 31, 2005**

	<u>Budget 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	\$ 54,645	\$ 54,645	\$ 61,121	\$ 6,476
Charges for services	4,000	4,000	7,593	3,593
Intergovernmental	4,500	4,500	19,984	15,484
Miscellaneous	2,000	2,000	3,104	1,104
<b>TOTAL RECEIPTS</b>	<u>65,145</u>	<u>65,145</u>	<u>91,802</u>	<u>26,657</u>
<b>DISBURSEMENTS</b>				
<b>Current:</b>				
Public safety	56,100	56,100	30,071	26,029
Capital outlay	104,013	104,013	2,001	102,012
<b>Debt Service:</b>				
Principal retirement	24,796	24,796	24,796	-
Interest and fiscal charges	3,413	3,413	3,413	-
<b>TOTAL DISBURSEMENTS</b>	<u>188,322</u>	<u>188,322</u>	<u>60,281</u>	<u>128,041</u>
<b>EXCESS OF RECEIPTS OVER (UNDER DISBURSEMENTS)</b>	<u>(123,177)</u>	<u>(123,177)</u>	<u>31,521</u>	<u>154,698</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(123,177)</u>	<u>(123,177)</u>	<u>31,521</u>	<u>154,698</u>
<b>FUND BALANCE BEGINNING OF YEAR</b>	123,177	123,177	123,177	-
<b>PRIOR YEAR ENCUMBRANCES APPROPRIATED</b>	-	-	-	-
<b>FUND BALANCE END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,698</u>	<u>\$ 154,698</u>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY, OHIO**  
**STATEMENT OF FIDUCIARY ASSETS AND NET CASH ASSETS**  
**FIDUCIARY FUNDS**  
**December 31, 2006 and 2005**

	<b>2006</b>	<b>2005</b>
<b>Assets:</b>		
<b>Cash and cash equivalents</b>	\$ <b>7,791</b>	\$ <b>7,588</b>
<b>Total assets</b>	\$ <b>7,791</b>	\$ <b>7,588</b>
<b>Net cash assets:</b>		
<b>Permanent fund</b>	\$ <b>1,474</b>	\$ <b>1,458</b>
<b>Unrestricted</b>	<b>6,317</b>	<b>6,130</b>
<b>Total net cash assets</b>	\$ <b>7,791</b>	\$ <b>7,588</b>

See accompanying notes to the basic financial statements

**THORN TOWNSHIP, PERRY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. REPORTING ENTITY**

Thorn Township, in Perry County Ohio, is a body politic and corporate established in the 1900's 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 Township Fiscal Officer.

The reporting entity is comprised of the primary government.

**A. Primary Government**

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, maintenance of Township roads and bridges, and cemetery maintenance. The Township has a volunteer Fire and EMS Department. Police protection is provided by the Perry County Sheriff's Department.

**B. Component Units**

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally obligated or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Thorn Township has no component units.

**C. Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools**

The Township contracts with Ohio Government Risk Management Plan, a public entity risk pool who provides property and casualty coverage for its members.

The Township has no joint venture.

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

**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 and the fund financial statements for the proprietary funds, 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 business-type activities and to its enterprise funds. The township has no business activities. Following are the more significant of the Township's accounting policies.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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 activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. 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.

The statement of net assets presents the cash and investment balances of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type 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 or business-type activity is self-financing on a cash basis or draws from the Townships 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 and enterprise 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. The internal service funds are presented in a single column on the face of the proprietary fund statements. 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 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, Gas Tax Fund, Road and Bridge Fund, Fire Fund, and EMS 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 Gas Tax Fund is financed by intergovernmental receipts. The Gas Tax Fund is used for salaries of road maintenance personnel, road repair, and road maintenance. The Road and Bridge Fund is financed from taxes and is used primarily for road repair, maintenance, and large machinery repairs. The Fire and EMS Funds are primarily financed by tax levies and are used to operate the volunteer Fire and EMS Department. Some additional funds are acquired for

**THORN TOWNSHIP, PERRY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2006 AND 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

the EMS fund through charges for EMS services.

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

**Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. Thorn Township has the following Fiduciary Funds:

**Hanby Trust Fund** – This fund is used to account for money bequeathed to the Township by the estate of F. Vernon Hanby, and the interest earned thereon, to be used for the development of a park on the six and one-half acres donated to the Township by Mr. Hanby. The Township is not required to maintain the corpus trust in tact. Accordingly, the fund is classified as an Expendable Trust Fund.

**U.B. Trust Fund** – This fund accounts for monies restricted by a legally binding trust agreement. The agreement requires the Township to maintain the corpus of the trust, which is \$1,000. The interest may be used for the perpetual care of the Union Baptist Cemetery. Accordingly, this fund is classified as a Nonexpendable Trust Fund.

**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 liabilities and the related expenses) 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 appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. 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.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Budgetary Process - Continued**

The appropriations ordinance 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 ordinance 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 with an original maturity of three months or less at the time of purchase and investments of the cash management pool 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.

During 2006, the Township entered into a “sweep” interest bearing account for its primary checking. The township’s investments included two Certificates of Deposit as well. All are held at the National City Bank in Thornville, Ohio.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the primary checking account during 2006 was \$29,930. Interest credited to the General Fund was \$18,387; the remaining \$11,543 was credited to the MVL and Gas Fund. The interest allocated to each fund is based on the percentage of their fund balances at the time the interest is paid.

Interest receipts credited to the General Fund during 2005 was \$3,415. A portion of the interest from the checking account is allocated to the MVL Fund, \$269 for 2005, and to the Gas Tax Fund, \$893. The interest allocated to each fund is based on the percentage of their fund balances at the time the interest is paid. The Hanby CD is specifically for the purpose of someday developing a community park on a parcel of land bequested to us in the Hanby will. The U.B. Cemetery CD interest is used only for the maintenance and upkeep of the cemetery.

**F. 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.

**G. 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.

**H. 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 Note 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**I. Long-Term Debt Obligations**

The Townships 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.

**J. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for constructing, maintaining, and repairing Township roads and bridges.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**K. 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.

**L. Fund Balance Reserves**

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**3. CHANGE IN BASIS OF ACCOUNTING**

In the previous years the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. Beginning in 2005, 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. This change had no effect on fund balance as previously reported.

**4. CHANGE IN ACCOUNTING PRINCIPLE**

The Township has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosure." GASB Statement No. 40 established and modifies the disclosure requirements related to deposit and investment risks. The implementation of this statement did not result in any change to the Township's financial statements.

**5. COMPLIANCE**

**Compliance**

There were violations of ORC 5705.36 and 5705.41(D).



**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**6. 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 is (and any major special revenue fund are) prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)).

**7. DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**7. DEPOSITS AND INVESTMENTS - CONTINUED**

(Authorized investments may include investments in commercial paper and bankers acceptances with appropriate limitations if ORC training requirements have been met.)

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.

At December 31, 2006 and December 31, 2005, the Township had no outstanding deposits and the bank balances were \$600,021 and \$573,566, respectively. Of the bank balance all funds were covered by federal depository insurance and a collateral pool. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

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 repayments, 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.

**8. 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, and real property taxes received in 2005 represent the collection of 2004 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. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, 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 2006 taxes. Tangible personal property taxes received in 2005 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 semiannual, the first payment is due April 30, with the remainder payable by September 20.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**8. PROPERTY TAXES - CONTINUED**

The full tax rate for all Township operations for the year ended December 31, 2006 and 2005 was \$1.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

	2006	2005
<b>Real Property</b>		
Residential/Agricultural	\$ 73,353,660	\$ 72,726,190
Commercial/Industrial/Mineral	3,110,250	3,119,060
P.U. Personal	4,781,960	4,970,010
Gen. Personal	170,500	287,360
<b>Total</b>	<b>\$ 81,416,370</b>	<b>\$ 81,102,620</b>

**9. DEBT**

Debt outstanding at December 31, 2006 and 2005 was as follows:

	Interest Rate	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005	Reductions	Balance December 31, 2006
Fire truck lease	5.35%	\$ 58,989	\$ -	\$ 28,726	\$ 30,263	\$ 30,263	\$ -
Squad	3.54%	99,185	-	24,796	74,389	24,796	49,593
Backhoe	6.25%	6,313	-	6,313	-	-	-
Dump truck	4.91%	-	65,000	13,000	52,000	13,000	39,000
Grass truck	4.91%	12,000	-	12,000	-	-	-
		<b>\$ 176,487</b>	<b>\$ 65,000</b>	<b>\$ 84,835</b>	<b>\$ 156,652</b>	<b>\$ 68,059</b>	<b>\$ 88,593</b>

During 2005, the township purchased a dump truck for a total of \$88,950. The township paid \$23,950 down and issued tax anticipation notes of \$65,000. The notes are with National City Bank. The balance is to be repaid in principal payments of \$13,000 per year ending in 2009.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31	Dump Truck	Squad	Total
2007	\$ 14,503	\$ 26,552	41,055
2008	14,505	25,674	40,179
2009	14,505	-	14,505
	<b>\$ 43,513</b>	<b>\$ 52,226</b>	<b>\$ 95,739</b>

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**10. RETIREMENT SYSTEMS**

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. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member,, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the years ended December 31, 2006 and 2005, the members of all three plans were required to contribute 9 and 8.5 percent of their annual covered salaries, respectively. The Township's contribution rate for pension benefits for 2006 and 2005 were 9.2 and 9.55 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contribution for pension obligation for the years ended December 31, 2006, 2005 and 2004 were \$6,697, \$6,738 and \$8,109. All the required contributions have been paid for 2006, 2005 and 2004.

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as describes in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for funding of postretirement health care based on authority granted by State statue. The 2006 and 2005 local government employer contribution rate was 13.70 and 13.55 percent respectively, of covered payroll was the portion that was used to fund health care for 2006 and 2005 respectively.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERSs latest actuarial review performed as of December 31, 2005 and December 31, 2004, include a rate of return on investments of 6.50 and 8 percent respectively, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. For 2006, health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 and 6 percent annually for the next nine years and 4 percent annually after nine years. For 2005, health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**10. RETIREMENT SYSTEMS - CONTINUED**

All investments are carried at market value. 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans were 369,214 and 358,804 for 2006 and 2005 respectively. The actual contribution and the actuarially required contribution amounts are the same. For 2006, the actuarial value of OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively. For 2005, the actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 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. Member and employer contribution rates increased as of January 1, 2007 and January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**11. RISK MANAGEMENT**

**Risk Pool Membership**

The Township is a member of the Ohio Government Risk Management Plan, (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered, self-insurance risk management program and other administrative services.

Pursuant to section 2744.081 of the Ohio Revised Code, the Plan is deemed 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 following risks are covered by the plan for the Township:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Commercial Property	\$ 718,417
General Liability	\$2,000,000
Commercial Crime	\$ 12,000
Inland Marine	\$ 239,209
Public Officials	\$4,000,000

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

**12. INTERFUND TRANSFERS**

There were no transfers during 2006 and 2005.

**THORN TOWNSHIP, PERRY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2006 AND 2005**

**13. FUTURE PLANS**

Thorn Township purchased land in 2006. This land will be used to construct, in the future, new housing facilities for Fire, EMS and Township vehicles.



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**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***

Thorn Township, Perry County  
Thornville, Ohio

We have audited the financial statements of Thorn Township, Perry County as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated October 31, 2007 wherein we noted the Township prepared its financial statements on the cash basis, a comprehensive basis of accounting other 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting Finding 2006-3753-003.

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 entity'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 identified and listed deficiencies in internal control over financial reporting that we consider material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

*much more than an accounting firm*

**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 and grant agreements, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2006-3753-001-001 and 2006-3753-002.

We noted another matter involving internal control that we reported to management of Thorn Township in a separate letter dated October 31, 2007.

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Thorn's Township's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of trustees, management and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.



Jones, Cochenour & Co.  
October 31, 2007



THORN TOWNSHIP, PERRY COUNTY  
SCHEDULE OF FINDINGS  
December 31, 2006 and 2005

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

FINDING NUMBER 2006-3753-001

**NONCOMPLIANCE CITATION - SIGNIFICANT DEFICIENCY**

Ohio Rev. Code § 5705.41 (D), states that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the fiscal officer (township clerk). Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blank certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not properly certify the availability of funds for purchase commitments for thirteen (13%) of the disbursements tested in 2005 and seventeen (17%) of the disbursements tested in 2006 and none of the exceptions above applied. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the Township uses the exceptions noted above, prior certification is not only required by statute but also is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the Township.

We recommend the Township officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. We also recommend that the township establish a maximum amount for blanket certificates by resolution.

The Township Fiscal Officer will strive to obtain proper certificates.

THORN TOWNSHIP, PERRY COUNTY  
 SCHEDULE OF FINDINGS  
 December 31, 2006 and 2005  
 (Continued)

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

FINDING NUMBER 2006-3753-002

**NONCOMPLIANCE CITATION – SIGNIFICANT DEFICIENCY**

Ohio Revised Code § 5705.36 (A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue.

Ohio Revised Code § 5705.36 (A)(4) requires the fiscal officer to obtain a reduced amended certificate from the budget commission if a deficiency is determined and if the amount of the deficiency will reduce available resources below the current level of appropriation.

Budgeted revenue exceeded actual and appropriations were greater than actual revenue plus encumbered cash as of December 31, 2005, as follows:

Fund	Actual Receipts		Actual Receipts		Estimated Receipts	Variance	Appropriations	Variance
12/31/2005	plus 1/1							
Special Revenue								
Rollback Homestead	\$ 189,387	\$	156,282	\$	169,762	\$ (13,480)	\$ 202,867	\$ (13,480)
Fire Fund	\$ 260,241	\$	178,922	\$	192,137	\$ (13,215)	\$ 273,456	\$ (13,215)

Budgeted revenue exceeded actual and appropriations were greater than actual revenue plus encumbered cash as of December 31, 2006, as follows:

Fund	Actual Receipts		Actual Receipts		Estimated Receipts	Variance	Appropriations	Variance
12/31/2006	plus 1/1							
Special Revenue								
Motor vehicles	\$ 28,732	\$	14,786	\$	16,909	\$ (2,123)	\$ 30,855	\$ (2,123)
Fire Fund	\$ 293,217	\$	111,217	\$	119,058	\$ (7,841)	\$ 301,057	\$ (7,840)
EMS	\$ 228,008	\$	73,309	\$	77,729	\$ (4,420)	\$ 232,427	\$ (4,419)

We recommend the Township analyze the budgetary activity to determine if reduced amended certificates are necessary to ensure that the appropriations do not exceed the actual receipts plus the beginning unencumbered cash.

Implementation of this recommendation may assist the Township in maintaining compliance with Ohio Revised Code.

**Client Response:** The Township Fiscal Officer will monitor this more closely and make modifications when deemed necessary.

**THORN TOWNSHIP, PERRY COUNTY**  
**SCHEDULE OF FINDINGS**  
**December 31, 2006 and 2005**  
**(Continued)**

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

**FINDING NUMBER 2006-3753-003**

**FINANCIAL STATEMENT ADJUSTMENTS – MATERIAL WEAKNESS/SIGNIFICANT DEFICIENCY**

Sound financial reporting is the responsibility of the Fiscal Officer of the Township and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Township made the following audit adjustments and reclassifications to the financial statements:

	Debits	Credits
<b><u>12/31/2006</u></b>		
<b>Road and Bridge Fund:</b>		
<b>Capital Outlay</b>		<b>15,280</b>
Principal	13,000	
Interest	2,280	
To reclassify loan payments.		
<b>Fire District:</b>		
<b>Capital Outlay</b>		<b>31,882</b>
Principal	30,263	
Interest	1,619	
To reclassify loan payments.		
<b>EMS:</b>		
<b>Capital Outlay</b>		<b>27,403</b>
Principal	24,796	
Interest	2,607	
To reclassify loan payments.		
<b><u>12/31/2005</u></b>		
<b>Road and Bridge:</b>		
Miscellaneous revenue	65,000	
Sale of notes		65,000
To reclass loan proceeds from National City Bank.		
<b>Capital Outlay</b>	<b>23,950</b>	
Public Works		23,950
To reclass down payment on new dump truck.		
<b>Public Works</b>		<b>21,419</b>
Principal	19,313	
Interest	2,106	
To reclassify principal and interest.		
<b>Fire District:</b>		
<b>Capital Outlay</b>		<b>43,882</b>
Principal	40,726	
Interest	3,156	
To reclassify loan payments.		
<b>EMS:</b>		
<b>Capital Outlay</b>		<b>28,209</b>
Principal	24,796	
Interest	3,413	
To reclassify loan payments.		

We recommend the Clerk be more cautious of posting debt payments.

**Client Response:** The Clerk will monitor this more closely.

**THORN TOWNSHIP, PERRY COUNTY**

**STATUS OF PRIOR FINDINGS  
December 31, 2006 and 2005**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2002-41064-001 2004-3753-001	A material noncompliance citation was issued in the prior audit under Ohio Rev. Code Section 5705.41(D) for not properly encumbering funds prior to expenditure.	No	This issue is repeated in the current audit as finding number 2006-3753-001.



**Mary Taylor, CPA**  
Auditor of State

**THORN TOWNSHIP**

**PERRY 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  
APRIL 8, 2008**