



OHIO AUDITOR OF STATE
KEITH FABER



**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Perrysburg Township
Wood County
26609 Lime City Road
Perrysburg, Ohio 43551-4299

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2019 and 2018 and related notes of Perrysburg Township, Wood County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2019 and 2018, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 27, 2021

Perrysburg Township
Wood County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$370,072	\$7,334,573	\$0	\$7,704,645
Charges for Services		407,336		407,336
Licenses, Permits and Fees	325,535			325,535
Fines and Forfeitures	9,860	37,165		47,025
Intergovernmental	587,437	948,276		1,535,713
Special Assessments		78,918		78,918
Earnings on Investments	312,974	25,951		338,925
Miscellaneous	38,727	135,518		174,245
<i>Total Cash Receipts</i>	<u>1,644,605</u>	<u>8,967,737</u>	<u>0</u>	<u>10,612,342</u>
Cash Disbursements				
Current:				
General Government	986,499			986,499
Public Safety	20,528	6,797,876		6,818,404
Public Works		876,374		876,374
Health	29,356			29,356
Conservation-Recreation	37,573			37,573
Capital Outlay	54,049	4,272,137		4,326,186
Debt Service:				
Principal Retirement			23,050	23,050
<i>Total Cash Disbursements</i>	<u>1,128,005</u>	<u>11,946,387</u>	<u>23,050</u>	<u>13,097,442</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>516,600</u>	<u>(2,978,650)</u>	<u>(23,050)</u>	<u>(2,485,100)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			44,388	44,388
Transfers In		1,636,000		1,636,000
Transfers Out	(1,636,000)			(1,636,000)
Advances In	500,000	500,000		1,000,000
Advances Out	(500,000)	(500,000)		(1,000,000)
Other Financing Sources	291,602			291,602
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,344,398)</u>	<u>1,636,000</u>	<u>44,388</u>	<u>335,990</u>
<i>Net Change in Fund Cash Balances</i>	<u>(827,798)</u>	<u>(1,342,650)</u>	<u>21,338</u>	<u>(2,149,110)</u>
<i>Fund Cash Balances, January 1</i>	<u>6,848,277</u>	<u>8,688,962</u>	<u>113,538</u>	<u>15,650,777</u>
Fund Cash Balances, December 31				
Restricted		7,390,700		7,390,700
Assigned	854,597		134,876	989,473
Unassigned (Deficit)	5,165,882	(44,388)		5,121,494
<i>Fund Cash Balances, December 31</i>	<u>\$6,020,479</u>	<u>\$7,346,312</u>	<u>\$134,876</u>	<u>\$13,501,667</u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2019

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$4,822
Employee Cost Share Health Insurance	141,197
Seized Monies	45,998
<i>Total Operating Cash Receipts</i>	192,017
Operating Cash Disbursements	
Other	153,730
<i>Net Change in Fund Cash Balances</i>	38,287
<i>Fund Cash Balances, January 1</i>	54,630
<i>Fund Cash Balances, December 31</i>	\$92,917

panying notes to the basic financial statements

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Perrysburg Township, Wood County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, zoning administration, police protection, fire protection and emergency medical services.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in four jointly governed organizations and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are organized on a fund type basis.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Fire District Levy Fund This fund receives property tax money to pay for fire protection.

Police District Levy Fund This fund receives property tax money to pay for police protection.

Fire/EMS District Fund This fund receives property tax money to pay for fire/EMS protection.

Road and Bridge Fund: This fund receives property tax money to pay for maintenance of Township roads.

Ambulance EMS Special Levy Fund: This fund receives property tax money to pay for ambulance and EMS services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

Capital Projects Fund- This fund accumulates resources for purchase of capital improvements.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds 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.

Agency Funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency funds account for employee cost share health insurance, zoning professional fees, and seized monies.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

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

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and U.S. Agency bonds and notes at cost.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,053,576	\$ 2,436,207	\$ 382,631
Special Revenue	11,062,095	11,103,737	41,642
Capital Projects	25,000	44,388	19,388
Fiduciary	158,000	192,017	34,017
Total	<u>\$13,298,671</u>	<u>\$13,776,349</u>	<u>\$ 477,678</u>

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,892,470	\$ 3,414,469	\$ 478,001
Special Revenue	14,682,769	12,557,496	2,125,273
Capital Projects	25,000	23,050	1,950
Fiduciary	209,610	153,730	55,880
Total	\$18,809,849	\$16,148,745	\$2,661,104

Note 4 - Deposits and Investments

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

	2019
Demand deposits	\$ 949,447
Certificates of deposit	976,935
Other time deposits (savings and NOW accounts)	7,169,872
Total deposits	9,096,254
U.S. Treasury Notes	2,497,090
Federal Home Loan Bank	994,805
Federal National Mortgage Association	1,006,435
Total investments	4,498,330
Total deposits and investments	\$13,594,584

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

Investments

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 6 - Interfund Transactions

During 2019, the General Fund transferred \$1,636,000 to the Road and Bridge Fund for road paving. During 2019, the General Fund advanced \$500,000 to the Police Special Levy Fund. During 2019, the Police Special Levy Fund paid \$500,000 to the General Fund for repayment of the current year advance.

Note 7 - Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$35,207,320
Actuarial liabilities	\$ 10,519,942

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. Law Enforcement OPERS members contributed 13 percent of their gross salaries and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. Local OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2019.

Social Security

Several of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 - Debt

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan #CE40R	\$154,216	0%
Ohio Public Works Commission Loan #CE43Q	226,107	0%
Total	<u>\$380,323</u>	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland & Windford road improvements.

The Ohio Public Works Commission (OPWC) loan #CE43Q relates to the 2013 resurfacing of Five Point, White & Reitz project.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Amortization

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

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2020	\$ 9,346	\$ 13,704
2021	9,346	13,703
2022	9,346	13,704
2023	9,346	13,703
2024	9,346	13,704
2025-2029	46,732	68,517
2030-2034	46,732	68,517
2035-2036	14,022	20,555
Total	\$154,216	\$226,107

Note 11 - Contingent Liabilities

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

Note 12 - Jointly Governed Organizations

Wood County Port Authority

In December 1998, the Northern Wood County Port Authority was created jointly with Perrysburg Township and the City of Rossford, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. In July 2010, the Port Authority was expanded to include all of Wood County and the County joined under section 4582.26 and the Port Authority was renamed the Wood County Port Authority. Originally the Trustees appointed two of the five board members. After July 2010, the board was expanded to seven, and when the Township appointees' terms expired the Township will only appoint one member.

Rossford Transportation Improvement District

In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. The Trustees appoint two of the eight voting members.

New Belleville Ridge Joint Cemetery

The Township appoints two members of the Board and contributes to the financing of the Cemetery.

Fort Meigs Union Cemetery

The Township appoints one of the Board members and has placed a levy on the ballot for the benefit of the Cemetery. The Township receives the funds associated with the levy from the County and State and pays them to the Cemetery.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019
(Continued)

Note 13 - Loan to Transportation District

In June of 1998, the Township purchased from the Rossford Transportation Improvement District (the District) a special assessment bond anticipation note with a face value of \$1,286,850, due June 1, 2000, for \$1,100,000. The District used the proceeds to construct roads and sewer lines in the Crossroads of America project area. In June of 1999, the Township sold the note subject to an agreement to repurchase the obligation in the event of default by the District. The District was unable to pay this obligation when due. In June of 2000, the Township repurchased the note for \$1,286,850.

In September 2000, the Township purchased \$661,310 of water and \$652,540 of sewer bonds from the District. The proceeds were used by the District to pay the aforementioned notes held by the Township in the amount of \$1,286,850. The bonds matured on December 1, 2015. The bonds bore interest at 7 percent, but only to the extent of any tap-in fees actually paid. As of November 24, 2015, a total of \$85,405 had been collected by the Township in interest and no principal had been collected. The District was unable to pay this obligation when due. On November 24, 2015, the bonds were cancelled and the District pledged to pay the Township 68.2% of the \$2,000 per acre System Development Fee imposed on the Property (the "RTID-System Development Fee"). As of December 31, 2019, nothing has been collected by the Township.

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5 percent, is payable over 20 years, and is secured by special assessments on property owners in the project area. In June of 2000, the District levied assessments of \$6.8 million to repay this debt. As of December 31, 2019, \$2,974,661 of the principal has been collected by the Township and all interest payments are current.

Note 14 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The Township's investment portfolio and the investments of the pension and other employee benefit plan in which the Township participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 15 – Compliance

The Township accounted for the cemetery levy in the general fund. Ohio Rev. Code Section 5705.10(C) requires the Township to establish a separate fund for each special levy.

Perrysburg Township
Wood County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$445,406	\$6,728,868	\$0	\$7,174,274
Charges for Services		373,944		373,944
Licenses, Permits and Fees	248,679			248,679
Fines and Forfeitures	8,278	222,340		230,618
Intergovernmental	535,082	825,896		1,360,978
Special Assessments		77,444		77,444
Earnings on Investments	331,591	3,895		335,486
Miscellaneous	124,755	288,375		413,130
<i>Total Cash Receipts</i>	<u>1,693,791</u>	<u>8,520,762</u>	<u>0</u>	<u>10,214,553</u>
Cash Disbursements				
Current:				
General Government	1,129,469			1,129,469
Public Safety	24,345	6,815,880		6,840,225
Public Works	0	913,191		913,191
Health	28,562			28,562
Conservation-Recreation	8,903			8,903
Capital Outlay	0	1,511,407		1,511,407
Debt Service:				
Principal Retirement			23,050	23,050
<i>Total Cash Disbursements</i>	<u>1,191,279</u>	<u>9,240,478</u>	<u>23,050</u>	<u>10,454,807</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>502,512</u>	<u>(719,716)</u>	<u>(23,050)</u>	<u>(240,254)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			54,842	54,842
Transfers In		2,500,000	10,000	2,510,000
Transfers Out	(2,510,000)			(2,510,000)
Advances In	500,950	400,000		900,950
Advances Out	(400,000)	(500,950)		(900,950)
Other Financing Sources	312,956	527		313,483
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,096,094)</u>	<u>2,399,577</u>	<u>64,842</u>	<u>368,325</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,593,582)</u>	<u>1,679,861</u>	<u>41,792</u>	<u>128,071</u>
<i>Fund Cash Balances, January 1</i>	<u>8,441,859</u>	<u>7,009,101</u>	<u>71,746</u>	<u>15,522,706</u>
Fund Cash Balances, December 31				
Restricted	50,000	8,688,962		8,738,962
Assigned	1,980,233		113,538	2,093,771
Unassigned (Deficit)	4,818,044			4,818,044
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,848,277</u></u>	<u><u>\$8,688,962</u></u>	<u><u>\$113,538</u></u>	<u><u>\$15,650,777</u></u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2018

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$1,500
Employee Cost Share Health Insurance	130,790
Seized Monies	3
	<u>132,293</u>
Operating Cash Disbursements	
Other	129,457
	<u>129,457</u>
<i>Net Change in Fund Cash Balances</i>	2,836
<i>Fund Cash Balances, January 1</i>	51,794
	<u>51,794</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$54,630</u></u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Perrysburg Township, Wood County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, zoning administration, police protection, fire protection and emergency medical services.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in four jointly governed organizations and a public entity risk pool. Notes 7 and 12 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are organized on a fund type basis.

Fund Accounting

The Township uses funds 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. The funds of the Township are presented below:

General Fund: The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Fire District Levy Fund: This fund receives property tax money to pay for fire protection.

Police District Levy Fund: This fund receives property tax money to pay for police protection.

Fire/EMS District Fund: This fund receives property tax money to pay for fire/EMS protection.

Road and Bridge Fund: This fund receives property tax money to pay for maintenance of Township roads.

Ambulance EMS Special Levy Fund: This fund receives property tax money to pay for ambulance and EMS services.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

Capital Projects Fund- This fund accumulates resources for purchase of capital improvements.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Fiduciary Funds Fiduciary funds include private purpose trust funds and agency funds. Trust funds 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.

Agency Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency funds account for employee cost share health insurance, zoning professional fees, and seized monies.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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

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

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

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Treasury Notes and U.S. Agency bonds and notes at cost.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,014,588	\$ 2,507,697	\$ 493,109
Special Revenue	11,216,916	11,421,289	204,373
Capital Projects	10,000	64,842	54,842
Fiduciary	150,000	132,293	(17,707)
Total	<u>\$13,391,504</u>	<u>\$14,126,121</u>	<u>\$734,617</u>

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,776,883	\$ 4,272,312	\$3,504,572
Special Revenue	13,305,831	10,721,603	2,584,228
Capital Projects	25,000	23,050	1,950
Fiduciary	201,213	129,457	71,756
Total	\$21,308,927	\$15,146,422	\$6,162,505

Note 4 - Deposits and Investments

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

	2018
Demand deposits	\$ 447,507
Certificates of deposit	961,930
Other time deposits (savings and NOW accounts)	9,792,149
Total deposits	11,201,586
U.S. Treasury Notes	2,296,086
Federal Home Loan Mortgage Corporation	502,225
Federal Farm Credit Bank	200,000
Federal Home Loan Bank	499,075
Federal National Mortgage Association	1,006,435
Total investments	4,503,821
Total deposits and investments	\$15,705,407

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

Investments

The Federal Reserve holds the Township's U.S. Treasury Notes in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Note 5 - Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

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

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Note 6 - Interfund Transactions

During 2018, the General Fund transferred \$2,500,000 to the Road and Bridge Fund for road paving and \$10,000 to the Capital Projects Fund for debt payments. During 2018, the General Fund advanced \$400,000 to the Police Special Levy Fund. During 2018, the Police Special Levy Fund advanced \$500,950 to the General Fund towards repayment of the current year advance of \$400,000 and a prior year advance in the amount of \$100,950.

Note 7 - Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. Law Enforcement OPERS members contributed 13 percent of their gross salaries and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. Local OPERS members contributed 10 percent of their gross salaries and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2018.

Social Security

Several of the Township's employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 10 - Debt

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan #CE40R	\$163,562	0%
Ohio Public Works Commission Loan #CE43Q	239,810	0%
Total	<u>\$403,372</u>	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland & Windford road improvements.

The Ohio Public Works Commission (OPWC) loan #CE43Q relates to the 2013 resurfacing of Five Point, White & Reitz project.

Amortization

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

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2019	\$ 9,346	\$ 13,703
2020	9,346	13,704
2021	9,346	13,703
2022	9,346	13,704
2023	9,346	13,703
2024-2028	46,732	68,517
2029-2033	46,732	68,517
2034-2036	23,368	34,259
Total	<u>\$163,562</u>	<u>\$239,810</u>

Note 11 - Contingent Liabilities

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

Note 12 - Jointly Governed Organizations

Wood County Port Authority

In December 1998, the Northern Wood County Port Authority was created jointly with Perrysburg Township and the City of Rossford, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. In July 2010, the Port Authority was expanded to include all of Wood County and the County joined under section 4582.26 and the Port Authority was renamed the Wood County Port Authority. Originally the Trustees appointed two of the five board members. After July 2010, the board was expanded to seven, and when the Township appointees' terms expired the Township will only appoint one member.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Rossford Transportation Improvement District

In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. The Trustees appoint two of the eight voting members.

New Belleville Ridge Joint Cemetery

The Township appoints two members of the Board and contributes to the financing of the Cemetery.

Fort Meigs Union Cemetery

The Township appoints one of the Board members and has placed a levy on the ballot for the benefit of the Cemetery. The Township receives the funds associated with the levy from the County and State and pays them to the Cemetery.

Note 13 - Loan to Transportation District

In June of 1998, the Township purchased from the Rossford Transportation Improvement District (the District) a special assessment bond anticipation note with a face value of \$1,286,850, due June 1, 2000, for \$1,100,000. The District used the proceeds to construct roads and sewer lines in the Crossroads of America project area. In June of 1999, the Township sold the note subject to an agreement to repurchase the obligation in the event of default by the District. The District was unable to pay this obligation when due. In June of 2000, the Township repurchased the note for \$1,286,850.

In September 2000, the Township purchased \$661,310 of water and \$652,540 of sewer bonds from the District. The proceeds were used by the District to pay the aforementioned notes held by the Township in the amount of \$1,286,850. The bonds matured on December 1, 2015. The bonds bore interest at 7 percent, but only to the extent of any tap-in fees actually paid. As of November 24, 2015, a total of \$85,405 had been collected by the Township in interest and no principal had been collected. The District was unable to pay this obligation when due. On November 24, 2015, the bonds were cancelled and the District pledged to pay the Township 68.2% of the \$2,000 per acre System Development Fee imposed on the Property (the "RTID-System Development Fee"). As of December 31, 2018, nothing has been collected by the Township.

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5 percent, is payable over 20 years, and is secured by special assessments on property owners in the project area. In June of 2000, the District levied assessments of \$6.8 million to repay this debt. As of December 31, 2018, \$2,683,059 of the principal has been collected by the Township and all interest payments are current.

Note 14 – SUBSEQUENT EVENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The Township's investment portfolio and the investments of the pension and other employee benefit plan in which the Township participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Perrysburg Township
Wood County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018
(Continued)

Note 15 – Compliance

The Township accounted for the cemetery levy in the general fund. Ohio Rev. Code Section 5705.10(C) requires the Township to establish a separate fund for each special levy.

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Perrysburg Township
Wood County
26609 Lime City Road
Perrysburg, Ohio 43551-4299

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2019 and 2018, and related notes of the Perrysburg Township, Wood County, (the Township) and have issued our report thereon dated January 27, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider significant deficiencies. We consider findings 2019-002 and 2019-003 to be significant deficiencies.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Government's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 27, 2021

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001

NONCOMPLIANCE – Cemetery Levy

Ohio Rev. Code § 5705.10(C) states that "all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made." On November 7, 2006, the voters of Perrysburg Township passed a levy for the purpose of maintaining and operating Fort Meigs Joint Union Cemetery.

Instead of establishing a separate special revenue fund, the Township receipted the proceeds from this special levy in the General fund and recorded negative expenditures when the levy and associated homestead and rollback receipts were distributed to Fort Meigs Joint Union Cemetery. This resulted in Special Revenue receipts and expenditures being understated by \$149,648 during 2018 and \$146,204 during 2019. The errors were determined to be immaterial to the financial statements and no adjustment have been made.

The Township should establish a separate Cemetery fund to account for the proceeds of the special levy. Failure to do so could result in the restricted funds being used for unallowable purposes.

FINDING NUMBER 2019-002

SIGNIFICANT DEFICIENCY – Accounting System

Benefits of effectively and efficiently utilizing an accounting software program include increased accuracy of financial information by reducing or eliminating human errors in calculation, time savings and more accurate reporting. Township utilized Software Solutions (SSI) for its accounting needs during 2019 and 2018. SSI is utilized by over 350 local governments across ten states and comes with a communication and education program for its clients.

The Township did not fully utilize the functionalities of SSI. The Township was unable to provide a system report which showed the vendor and description of expenditures. This type of report would be very useful to the Board of Trustees and Finance Committee as a monitoring control. In addition, the Township was unable to generate annual financial statements out of the software. As a result, the annual report was manually prepared and there were errors noted in the rollup of the revenue and expenditure accounts from the system to the financial statements. The financial statement preparer also moved revenues from one fund type to another without the Township adjusting its records. This resulted in the revenues and ending fund balances for general and capital project funds per draft financial statements not agreeing to the system.

In addition to the computerized accounting system, the Township also maintained manual ledgers. There was no indication that these manual check reports and receipt records were reconciled to the computerized accounting system as vendor name on one outstanding check at December 31, 2019 did not agree between the system and manual records. Also for 19 out of 24 non-payroll agency fund expenditures tested for fiscal years 2019 and 2018, the dates according to the manual check list report did not agree to the dates on the printed checks. The duplication of information is time consuming and creates more opportunities for material misstatements due to fraud or error to occur.

**FINDING NUMBER 2019-002
(Continued)**

The Township should utilize a single accounting system that presents and reconciles all of the activity recorded by the Township. The Township could either contact SSI to obtain training on the software to fully utilize its functionalities or look at acquiring another software that might be more apt for the Township's needs. This would make more informative reports available and would eliminate the human error related to compiling the financial statements as the computer would automatically generate the report for the Township at year end, as well as reduce the possibility of error and fraud going undetected.

FINDING NUMBER 2019-003

SIGNIFICANT DEFICIENCY – Bank Reconciliations

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Township Accounting Secretary and Fiscal Officer were each responsible for doing a portion of the monthly bank reconciliation; the Fiscal Officer reconciled the investments, and the Accounting Secretary reconciled the demand deposit accounts. The two sets of figures are presented on a bank reconciliation report, but they are not totaled and there was no indication of the bank reconciliation being agreed to the book balance. Since the Accounting Secretary is the person who posted majority of the transactions, it was not an effective control for her to perform the monthly bank reconciliation. The Township reported previous month's investment income that was posted during the current month as a reconciling item on the bank reconciliation. The investment accounts' bank balance was calculated based on the reconciling item and did not agree to the bank statements from the financial institution. In addition, the Trustees reviewed a cash position and bank report; however, because of the presentation of the bank reconciliation these reviews could not be effective.

Additionally, the bank reconciliations did not include support for the amounts for four of the Township's CDs in 2019 and two of the Township's CDs in 2018. To be an effective control, the reconciliation must provide supporting documentation for all the amounts used in the reconciliation, and this support should be reviewed and verified by the Trustees or Finance Committee. Failure to correctly reconcile on a monthly basis increases the possibility that the Township will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Trustees should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

Official's Response: We did not receive a response from Officials to the findings reported above.



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TRUSTEES
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FISCAL OFFICER
Shirley A. Haar

ADMINISTRATOR
Walter J. Celley

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Material Weakness – Financial Statement Misstatements	Partially corrected	Repeated as management letter comment.
2017-002	Noncompliance – Ohio Rev. Code §5705.10(F) and (E) – posting sale of assets to permanent improvement fund.	Fully Corrected	

OHIO AUDITOR OF STATE KEITH FABER



PERRYSBURG TOWNSHIP

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/23/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov