





PERKINS TOWNSHIP  
ERIE COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Perkins Township  
Erie County  
2610 Columbus Avenue  
Sandusky, Ohio 44870

To the Board of Trustees:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of Perkins Township, Erie County, Ohio (the Township), which comprises 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, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying 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, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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

February 6, 2024

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**Perkins Township**  
*Erie County*  
*Combined Statement of Receipts, Disbursements,*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Combined Total</u>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,934,853	\$7,890,927			\$9,825,780
Charges for Services	4,666	696,464			701,130
Licenses, Permits, and Fees	470,518	101,883			572,401
Fines and Forfeitures		25,313			25,313
Intergovernmental	356,109	1,391,839		\$363,538	2,111,486
Special Assessments	9,240	38,543			47,783
Earnings on Investments	136,550	5,668			142,218
Miscellaneous	143,375	124,251			267,626
<i>Total Cash Receipts</i>	<u>3,055,311</u>	<u>10,274,888</u>		<u>363,538</u>	<u>13,693,737</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,536,344				1,536,344
Public Safety		5,833,890		4,534	5,838,424
Public Works	12,082	1,245,674		232,703	1,490,459
Health		41,849			41,849
Conservation-Recreation	281,045	155,842			436,887
Other	5,643				5,643
Capital Outlay	60,674	661,886		443,407	1,165,967
Debt Service:					
Principal Retirement			\$356,310	27,500	383,810
Interest and Fiscal Charges			49,188		49,188
<i>Total Cash Disbursements</i>	<u>1,895,788</u>	<u>7,939,141</u>	<u>405,498</u>	<u>708,144</u>	<u>10,948,571</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,159,523</u>	<u>2,335,747</u>	<u>(405,498)</u>	<u>(344,606)</u>	<u>2,745,166</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets				31,419	31,419
Transfers In		127,500	405,482	412,500	945,482
Transfers Out	(618,507)	(326,975)			(945,482)
Advances In	151,000	100,000			251,000
Advances Out	(100,000)	(100,000)		(51,000)	(251,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(567,507)</u>	<u>(199,475)</u>	<u>405,482</u>	<u>392,919</u>	<u>31,419</u>
<i>Net Change in Fund Cash Balances</i>	592,016	2,136,272	(16)	48,313	2,776,585
<i>Fund Cash Balances, January 1</i>	<u>5,703,221</u>	<u>3,786,233</u>	<u>26</u>	<u>364,411</u>	<u>9,853,891</u>
<i>Fund Cash Balances, December 31</i>	<u>\$6,295,237</u>	<u>\$5,922,505</u>	<u>\$10</u>	<u>\$412,724</u>	<u>\$12,630,476</u>

*See accompanying notes to the financial statements*

**Perkins Township**  
*Erie County*  
*Combined Statement of Additions, Deductions,*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

	<b>Custodial</b>
	<b>Other Custodial</b>
<b>Additions</b>	
Other Amounts Collected for Distribution	\$12,312
<b>Deductions</b>	
Distributions to Other Governments	1,824
Distributions to Other Funds (Primary Government)	4,255
Other Distributions	12,000
<i>Total Deductions</i>	18,079
<i>Net Change in Fund Cash Balances</i>	(5,767)
<i>Fund Cash Balances, January 1</i>	13,846
<i>Fund Cash Balances, December 31</i>	\$8,079

*See accompanying notes to the financial statements*

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Perkins Township, Erie County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, parks and recreation activities, police and fire protection, and emergency medical services. The Township contracts with the Erie County Sheriff's Department to provide dispatch services for the police, fire, and emergency medical services departments.

***Jointly Governed Organization and Public Entity Risk Pool***

The Township participates in one public entity risk pool and one jointly governed organization. Notes 7 and 13 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 additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all 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:

***Police Fund*** The Police Fund receives property tax money for police protection services.

***Fire & Rescue, Ambulance & EMS Fund*** The Fire & Rescue, Ambulance & EMS Fund receives property tax money and EMS collections for the maintenance of fire apparatus, buildings, water, supplies, payment of firefighters/EMS/paramedics, and to operate emergency medical services.

***Debt Service Funds*** These funds account for and report financial resources that are assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Debt Service - Road Reconditioning TAN Fund*** The Debt Service - Road Reconditioning TAN Fund pays the debt service associated with Tax Anticipation Notes used to complete major road paving projects in 2022. The notes will be paid off over five years to correspond with the terms of the Road Reconditioning Levy.

***Capital Projects 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 Projects Funds:

***Capital Projects - SRTS Fund*** The Township received a federal grant for capital improvements. The proceeds are restricted for capital improvement.

***Capital Projects - TAN Projects Fund*** The Township received funds from the sale of Tax Anticipation Notes to complete ten major road projects in 2022. The proceeds are restricted for capital improvement.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township did not have any private purposed trust of investment trust funds.

Custodial 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's custodial funds account for drug law forfeitures collected from potential drug cases that are placed in escrow, fire trust funds, and a dental and vision clearing account. In the case of escrow and fire trust funds, once the case is adjudicated the monies are distributed according to the court order and insurance company.

***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(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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(C) permit.

***Budgetary Process***

The Ohio Revised Code requires each fund (except certain custodial funds) be budgeted annually.

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

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**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 2022 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's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**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.

**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.

**Leases**

The Township is the lessee in various leases (as defined by GASB 87) related to buildings and other equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

**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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

**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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

**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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

**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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,921,209	\$3,055,311	\$134,102
Special Revenue	11,884,358	10,402,388	(1,481,970)
Debt Service	405,482	405,482	
Capital Projects	1,147,962	807,457	(340,505)
Total	\$16,359,011	\$14,670,638	(\$1,688,373)

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,583,855	\$2,641,509	\$1,942,346
Special Revenue	12,457,091	9,276,599	3,180,492
Debt Service	405,500	405,498	2
Capital Projects	1,356,705	1,023,663	333,042
Total	\$18,803,151	\$13,347,269	\$5,455,882

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 4 - Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2022
<b><i>Cash Management Pool (the Pool):</i></b>	
Demand deposits	\$3,105,107
Certificates of deposit	2,512,877
Other time deposits (savings accounts)	934,388
Total deposits	6,552,372
STAR Ohio	6,086,183
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$12,638,555

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022 the Township is holding \$62,265 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6 - Interfund Balances**

Outstanding advances at December 31, 2022 consisted of \$9,376 advanced from the General Fund to the Police DOJ Grant Fund to provide working capital for operations or projects.

**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 Township'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>2022</u>
Cash and investments	\$32,288,098
Actuarial liabilities	\$9,146,434

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township's full-time certified police officers belong to the Ohio Public Employees Retirement System - Law Enforcement (OPERS - LE). Other employees belong to the Ohio Public Employees Retirement System (OPERS - G). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS - LE members contributed 13 percent of their gross salaries, and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. OPERS - G members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of the participants' gross salaries. The Township has paid all contributions required through December 31, 2022.



**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Ohio Police and Fire Retirement System***

The Township's certified full-time fire fighters belong to the Ohio 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 health care 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, 2022.

***Social Security***

Effective May 4, 1992, all part-time fire fighters hired after this date contribute to Social Security along with other non-pensionable employees. 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, 2022.

**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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 10 - Debt**

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
Ground Lease Agreement	\$153,015	2.75%
OPWC - Strub Road	82,500	0.00%
Axon Enterprises - Police Body Cam Lease	279,441	N/A
Axon Enterprises - Police In Car Cam Lease	25,930	N/A
Stryker - LifePak 15 Lease	17,893	N/A
Community National Bank SCBA Lease	163,734	2.85%
First National Bank - TAN	919,000	3.75%
Total	\$1,641,513	

The Ground Lease Agreement was entered into in June 2015. The proceeds of the agreement were used to retire a lease-purchase agreement with Ohio Township Association (OTA) that had been entered into in order to refinance a bond anticipation note issued for the construction of the Township complex and Fire Station. The Township will make semi-annual payments which commenced December 2015 through December 2024.

The Township received a \$275,000 interest free loan through the Ohio Public Works Commission (OPWC) in accordance with Ohio Rev. Code Section 164.05 for West Strub Road Pavement Improvements. The loan is interest free and will be repaid in semiannual installments of \$13,750 with the final payment in January 2026.

In 2021 the Township issued Tax Anticipation Notes (TAN) through First National Bank for \$1,500,001 to fund major road construction projects. The TAN are secured by Road Reconditioning Levy funds and will be paid off in five years.

***Financed Purchases***

In 2018 the Township entered into a \$259,953 lease-purchase agreement with TCF Equipment Finance, Inc. in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of a street sweeper. The Township will pay TCF Equipment Finance, Inc. semi-annual payments for five years, starting in October 2018 and ending with the final payment in October 2022, with an interest rate of 4.71 percent. As stated in the lease-purchase agreement, the Township can fully execute the terms of the agreement at any time by paying off the remaining payments in accordance with the lump sum purchase option price. Upon fully executing the terms of the lease-purchase agreement the Township has the option to purchase the truck for \$1.

During a previous audit period the Township entered into a \$89,465 lease-purchase agreement with Stryker in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of LikePak 15 equipment for the Fire Department. This is a five-year lease with annual payments of \$17,893 ending in 2023.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

In 2021 the Township entered into a \$194,560 lease-purchase with Axon Enterprises in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of an in-car camera system and maintenance plan for the Police Department. This is a five-year lease with annual payments of \$38,912 ending in 2025.

In 2021 the Township entered into a \$229,228 lease-purchase with Community National Bank in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of SCBA equipment for the Fire Department. This is a seven-year lease with annual payments of \$32,747 ending in 2027.

In 2022 the Township entered into a \$154,741 lease-purchase agreement with Axon Enterprises in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of in-car camera systems for the Police Department. This is a five-year lease with annual payments of \$30,948 ending in 2027.

In 2022 the Township entered into a \$25,930 lease-purchase with Axon Enterprises in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of a body camera system and maintenance plan for the Police Department. This is a five-year lease with annual payments of \$6,418 ending in 2026.

***Amortization***

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

Year Ending December 31:	Ground Lease Agreement	OPWC - Strub Road	First National Bank TAN	Leases
2023	\$79,382	\$27,500	\$326,725	\$127,175
2024	79,982	27,500	327,550	109,025
2025		27,500	325,925	109,025
2026				109,025
2027				32,747
Total	<u>\$159,364</u>	<u>\$82,500</u>	<u>\$980,200</u>	<u>\$486,997</u>

**Note 11 - Construction and Contractual Commitments**

The Township has several construction and road paving projects, several of which were started or awarded in 2022 or before with work to continue in 2023. Purchase orders are in place for these projects.

**Note 12 - Contingent Liabilities**

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. 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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 13 - Jointly Governed Organization**

**Sand Hill Cemetery Association**

Perkins, Groton, Oxford, and Margaretta townships each appoint a member to the Board of Trustees of Sand Hill Cemetery Association (the Cemetery Association). The Cemetery Association provides grounds maintenance, opening and closing of graves, and the sale of lots. The Township contributed \$3,750 to the Cemetery Association during 2022.

**Note 14 - Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$3,596			\$3,596
Outstanding Encumbrances	127,214	\$1,010,483	\$315,519	1,453,216
Total	<u>\$130,810</u>	<u>\$1,010,483</u>	<u>\$315,519</u>	<u>\$1,456,812</u>

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects funds is restricted, committed, or assigned. These restricted, restricted committed, and assigned amounts in the Special Revenue and Capital Projects funds would including the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 15 - Miscellaneous Receipts**

General Fund miscellaneous receipts consisted primarily of proceeds from tower leases.

**Perkins Township**  
*Erie County*  
*Combined Statement of Receipts, Disbursements,*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Combined Total</b>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,640,511	\$5,492,033			\$7,132,544
Charges for Services	900	637,892			638,792
Licenses, Permits, and Fees	493,168	78,987			572,155
Fines and Forfeitures		34,281			34,281
Intergovernmental	267,903	1,366,817		\$174,106	1,808,826
Special Assessments	7,772	37,976			45,748
Earnings on Investments	37,683	1,588			39,271
Miscellaneous	120,303	53,762			174,065
<i>Total Cash Receipts</i>	<u>2,568,240</u>	<u>7,703,336</u>		<u>174,106</u>	<u>10,445,682</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,202,913	22,829			1,225,742
Public Safety		5,552,653		9,211	5,561,864
Public Works	12,972	904,462		1,350,495	2,267,929
Health		32,841			32,841
Conservation-Recreation	167,094	104,301			271,395
Other	4,789				4,789
Capital Outlay	14,100	3,500		292,069	309,669
Debt Service:					
Principal Retirement			\$366,256	41,250	407,506
Interest and Fiscal Charges			50,036		50,036
<i>Total Cash Disbursements</i>	<u>1,401,868</u>	<u>6,620,586</u>	<u>416,292</u>	<u>1,693,025</u>	<u>10,131,771</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,166,372</u>	<u>1,082,750</u>	<u>(416,292)</u>	<u>(1,518,919)</u>	<u>313,911</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes				1,500,001	1,500,001
Sale of Capital Assets				49,372	49,372
Transfers In		38,000	416,292	148,000	602,292
Transfers Out	(263,357)	(338,935)			(602,292)
Advances In	50,000	59,376		51,000	160,376
Advances Out	(110,376)	(50,000)			(160,376)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(323,733)</u>	<u>(291,559)</u>	<u>416,292</u>	<u>1,748,373</u>	<u>1,549,373</u>
<i>Net Change in Fund Cash Balances</i>	842,639	791,191		229,454	1,863,284
<i>Fund Cash Balances, January 1</i>	4,860,582	2,995,042	26	134,957	7,990,607
<i>Fund Cash Balances, December 31</i>	<u>\$5,703,221</u>	<u>\$3,786,233</u>	<u>\$26</u>	<u>\$364,411</u>	<u>\$9,853,891</u>

See accompanying notes to the financial statements

**Perkins Township**  
*Erie County*  
*Combined Statement of Additions, Deductions,*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	<b>Custodial</b>
	<b>Other Custodial</b>
<b>Additions</b>	
Fines, Licenses, and Permits for Distribution	\$373
Other Amounts Collected for Distribution	2,483
<i>Total Additions</i>	<i>2,856</i>
<b>Deductions</b>	
Distributions to Other Funds (Primary Government)	11,820
Other Distributions	600
<i>Total Deductions</i>	<i>12,420</i>
<i>Net Change in Fund Cash Balances</i>	<i>(9,564)</i>
<i>Fund Cash Balances, January 1</i>	<i>23,410</i>
<i>Fund Cash Balances, December 31</i>	<i>\$13,846</i>

*See accompanying notes to the financial statements*

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 - Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Perkins Township, Erie County, Ohio (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, parks and recreation activities, police and fire protection, and emergency medical services. The Township contracts with the Erie County Sheriff's Department to provide dispatch services for the police, fire, and emergency medical services departments.

***Jointly Governed Organization and Public Entity Risk Pool***

The Township participates in one public entity risk pool and one jointly governed organization. Notes 7 and 13 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 additions, deductions, and changes in fund balances (regulatory cash basis) for the fiduciary fund type which are all 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:

***Police Fund*** The Police Fund receives property tax money for police protection services.

***Fire & Rescue, Ambulance & EMS Fund*** The Fire & Rescue, Ambulance & EMS Fund receives property tax money and EMS collections for the maintenance of fire apparatus, buildings, water, supplies, payment of firefighters/EMS/paramedics, and to operate emergency medical services.

***Debt Service Funds*** These funds account for and report financial resources that are assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Debt Service - Road Reconditioning TAN Fund*** The Debt Service - Road Reconditioning TAN Fund pays the debt service associated with Tax Anticipation Notes used to complete major road paving projects in 2021. The notes will be paid off over five years to correspond with the terms of the Road Reconditioning Levy.

***Capital Projects 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 Projects Fund:

***Capital Projects - TAN Projects Fund*** The Township received funds from the sale of Tax Anticipation Notes to complete four major road projects in 2021. The proceeds are restricted for capital improvement.

***Fiduciary Funds*** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria. The Township did not have any private purpose trust or investment trust funds.

Custodial 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's custodial funds account for drug law forfeitures collected from potential drug cases that are placed in escrow as well as a dental and vision clearing account. In the case of escrow funds, once the case is adjudicated the monies are distributed according to the court order.

***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(C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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(C) permit.

***Budgetary Process***

The Ohio Revised Code requires each fund (except certain custodial funds) be budgeted annually.

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



**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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A summary of 2021 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's investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***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.

***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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

***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*. For regulatory purposes, assigned fund balance in the General Fund is limited to encumbrances outstanding at year end.

***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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 14.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,553,789	\$2,568,240	\$14,451
Special Revenue	8,261,444	7,741,336	(520,108)
Debt Service	416,292	416,292	
Capital Projects	3,094,482	1,871,479	(1,223,003)
Total	\$14,326,007	\$12,597,347	(\$1,728,660)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,599,221	\$1,837,245	\$1,761,976
Special Revenue	9,685,188	7,615,117	2,070,071
Debt Service	416,297	416,292	5
Capital Projects	3,193,555	1,990,454	1,203,101
Total	\$16,894,261	\$11,859,108	\$5,035,153

**Note 4 - Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

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**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

	2021
<b><i>Cash Management Pool (the Pool):</i></b>	
Demand deposits	\$873,375
Certificates of deposit	2,477,636
Other time deposits (savings accounts)	1,756,492
Total deposits	5,107,503
STAR Ohio	4,760,234
<i>Total carrying amount of deposits and investments held in the Pool</i>	<i>\$9,867,737</i>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021 the Township is holding \$84,880 in unremitted employee payroll withholdings.

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Township, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

**Note 6 - Interfund Balances**

Outstanding advances at December 31, 2021 consisted of \$9,376 advanced from the General Fund to the Police DOJ Grant Fund and \$51,000 advanced from the General Fund to the Capital Projects - SRTS Fund to provide working capital for operations or projects.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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 Township'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>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township's full-time certified police officers belong to the Ohio Public Employees Retirement System - Law Enforcement (OPERS - LE). Other employees belong to the Ohio Public Employees Retirement System (OPERS - G). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS - LE members contributed 13 percent of their gross salaries, and the Township contributed an amount equaling 18.1 percent of participants' gross salaries. OPERS - G members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of the participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

***Ohio Police and Fire Retirement System***

The Township's certified full-time fire fighters belong to the Ohio 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 health care and survivor and disability benefits.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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, 2021.

***Social Security***

Effective May 4, 1992, all part-time fire fighters hired after this date contribute to Social Security along with other non-pensionable employees. 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, 2021.

**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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 10 - Debt**

Debt outstanding at December 31, 2021 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ground Lease Agreement	\$225,325	2.75%
OPWC - Strub Road	110,000	0.00%
Huntington Bank - Street Sweeper Lease	54,586	4.71%
Axon Enterprises - Police In Car Cam Lease	155,648	N/A
Stryker - LifePak 15 Lease	35,786	N/A
Community National Bank SCBA Lease	178,255	2.85%
First National Bank - TAN	1,203,000	3.75%
Total	<u>\$1,962,600</u>	

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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The Ground Lease Agreement was entered into in June 2015. The proceeds of the agreement were used to retire a lease-purchase agreement with Ohio Township Association (OTA) that had been entered into in order to refinance a bond anticipation note issued for the construction of the Township complex and Fire Station. The Township will make semi-annual payments which commenced December 2015 through December 2024.

The Township received a \$275,000 interest free loan through the Ohio Public Works Commission (OPWC) in accordance with Ohio Rev. Code Section 164.05 for West Strub Road Pavement Improvements. The loan is interest free and will be repaid in semiannual installments of \$13,750 with the final payment in January 2026.

In 2021 the Township issued Tax Anticipation Notes (TAN) through First National Bank for \$1,500,001 to fund major road construction projects. The TAN are secured by Road Reconditioning Levy funds and will be paid off in five years.

***Leases***

In 2018 the Township entered into a \$259,953 lease-purchase agreement with TCF Equipment Finance, Inc. in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of a street sweeper. The Township will pay TCF Equipment Finance, Inc. semi-annual payments for five years, starting in October 2018 and ending with the final payment in October 2022, with an interest rate of 4.71 percent. As stated in the lease-purchase agreement, the Township can fully execute the terms of the agreement at any time by paying off the remaining payments in accordance with the lump sum purchase option price. Upon fully executing the terms of the lease-purchase agreement the Township has the option to purchase the truck for \$1.

In 2019 the Township entered into a \$56,258 lease-purchase agreement with Intrensic in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of 23 GoPro Hero5 Body Cameras and related equipment for the Police Department. Originally written as a four-year lease, in 2019 this was re-written to be a three-year lease to align with a grant. The Township will pay Intrensic annual payments of \$18,753 for three years, starting in August 2019 and ending with the final payment in August 2021.

During a previous audit period the Township entered into a \$89,465 lease-purchase agreement with Stryker in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of LikePak 15 equipment for the Fire Department. This is a five-year lease with annual payments of \$17,893 ending in 2023.

In 2021 the Township entered into a \$194,560 lease-purchase with Axon Enterprises in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of an in-car camera system and maintenance plan for the Police Department. This is a five-year lease with annual payments of \$38,912 ending in 2025.

In 2021 the Township entered into a \$229,228 lease-purchase with Community National Bank in accordance with Ohio Rev. Code 505.267. This agreement was to finance the purchase of SCBA equipment for the Fire Department. This is a seven-year lease with annual payments of \$32,747 ending in 2027.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

***Amortization***

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

Year Ending December 31:	Ground Lease Agreement	OPWC - Strub Road	First National Bank TAN	Leases
2022	\$78,506	\$27,500	\$326,469	\$146,765
2023	79,382	27,500	326,725	89,552
2024	79,982	27,500	327,550	71,659
2025		27,500	325,944	71,659
2026				32,747
2027				32,747
Total	<u>\$237,870</u>	<u>\$110,000</u>	<u>\$1,306,688</u>	<u>\$445,129</u>

**Note 11 - Construction and Contractual Commitments**

The Township has several construction and road paving projects, several of which were started or awarded in 2021 or before with work to continue in 2022. Purchase orders are in place for these projects.

**Note 12 - Contingent Liabilities**

The Township is defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. 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 13 - Jointly Governed Organization**

**Sand Hill Cemetery Association**

Perkins, Groton, Oxford, and Margaretta townships each appoint a member to the Board of Trustees of Sand Hill Cemetery Association (the Cemetery Association). The Cemetery Association provides grounds maintenance, opening and closing of graves, and the sale of lots. The Township contributed \$3,750 to the Cemetery Association during 2021.

**Note 14 - Fund Balances**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$3,181			\$3,181
Outstanding Encumbrances	172,020	\$655,596	\$297,429	1,125,045
Total	\$175,201	\$655,596	\$297,429	\$1,128,226

The fund balance of Special Revenue funds is either restricted or committed. The fund balance of Debt Service funds and Capital Projects funds is restricted, committed, or assigned. These restricted, restricted committed, and assigned amounts in the Special Revenue and Capital Projects funds would include the outstanding encumbrances. In the General Fund, outstanding encumbrances are considered assigned.

**Note 15 - Miscellaneous Receipts**

General Fund miscellaneous receipts consisted primarily of proceeds from tower leases.



# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
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(800) 282-0370

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

Perkins Township  
Erie County  
2610 Columbus Avenue  
Sandusky, Ohio 44870

To the Board of Trustees:

We have audited, in accordance with the 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 (*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, 2022 and 2021 and the related notes to the financial statements of Perkins Township, Erie County, Ohio (the Township) and have issued our report thereon dated February 6, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 6, 2024



# Perkins Township

Board of Trustees

Fiscal Officer

Timothy Coleman  
James Lang  
James Ommert  
Diane Schaefer

2610 Columbus Avenue, Sandusky, OH 44870  
Fiscal Officer Telephone 419-609-1431 FAX 419-609-1411  
E-Mail: [dianes@perkinstownship.com](mailto:dianes@perkinstownship.com)

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Finding was first reported during the audit of the 2012 financial statements. Material weakness for errors in financial reporting.	Partially corrected and reissued as part of the management letter.	This matter was not fully corrected due to deficiencies in the Township's internal control over financial reporting. However, errors were not material or significant to the Township as a whole, thus supporting reduction to management letter reporting. The Township has created a policy to ensure that on-behalf of monies will be reported to the Fiscal Officer timely.

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# OHIO AUDITOR OF STATE KEITH FABER



**PERKINS TOWNSHIP**

**ERIE 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 2/20/2024**

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](http://www.ohioauditor.gov)