



**Auditor of State
Betty Montgomery**

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Prior Audit Findings	15

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Perrysburg Township, Wood County, (the Township) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Ohio Auditor of State

November 23, 2004

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$ 431,198	\$ 3,060,417	\$ 3,491,615
Intergovernmental	1,243,716	451,002	1,694,718
Special Assessments		40,518	40,518
Charges for Services		192,440	192,440
Licenses, Permits, and Fees	138,043		138,043
Fines, Forfeitures, and Penalties	19,518	15,196	34,714
Earnings on Investments	242,295	294	242,589
Other Revenue	22,151	62,702	84,853
	2,096,921	3,822,569	5,919,490
Cash Disbursements:			
Current:			
General Government	1,000,513		1,000,513
Public Safety	40,533	4,141,734	4,182,267
Public Works	4,560	810,883	815,443
Health	33,286		33,286
Conservation - Recreation	26,435		26,435
Miscellaneous		34,352	34,352
Capital Outlay	336,900		336,900
	1,442,227	4,986,969	6,429,196
Total Receipts Over/(Under) Disbursements	654,694	(1,164,400)	(509,706)
Other Financing Receipts and (Disbursements):			
Transfers-In		1,763,000	1,763,000
Transfers-Out	(1,763,000)		(1,763,000)
	(1,763,000)	1,763,000	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,108,306)	598,600	(509,706)
Fund Cash Balances, January 1	9,676,407	2,264,199	11,940,606
Fund Cash Balances, December 31	\$ 8,568,101	\$ 2,862,799	\$ 11,430,900
Reserve for Encumbrances, December 31	\$ 154,774	\$ 312,799	\$ 467,573

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$ 474,075	\$ 3,334,879	\$ 3,808,954
Intergovernmental	1,727,182	395,778	2,122,960
Special Assessments		41,196	41,196
Charges for Services		154,214	154,214
Licenses, Permits, and Fees	133,083		133,083
Fines, Forfeitures, and Penalties	14,364	11,007	25,371
Earnings on Investments	294,230	2,224	296,454
Other Revenue	35,685	53,505	89,190
	<u>2,678,619</u>	<u>3,992,803</u>	<u>6,671,422</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	937,588		937,588
Public Safety	3,712	3,754,291	3,758,003
Public Works	4,010	791,866	795,876
Health	33,287		33,287
Conservation - Recreation	28,184		28,184
Miscellaneous		32,646	32,646
Capital Outlay	111,553		111,553
	<u>1,118,334</u>	<u>4,578,803</u>	<u>5,697,137</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>1,560,285</u>	<u>(586,000)</u>	<u>974,285</u>
Other Financing Receipts and (Disbursements):			
Transfers-In	100,416		100,416
Transfers-Out		(100,416)	(100,416)
	<u>100,416</u>	<u>(100,416)</u>	
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>1,660,701</u>	<u>(686,416)</u>	<u>974,285</u>
Fund Cash Balances, January 1	<u>8,015,706</u>	<u>2,950,615</u>	<u>10,966,321</u>
Fund Cash Balances, December 31	<u>\$ 9,676,407</u>	<u>\$ 2,264,199</u>	<u>\$ 11,940,606</u>
Reserve for Encumbrances, December 31	<u>\$ 46,242</u>	<u>\$ 308,315</u>	<u>\$ 354,557</u>

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perrysburg Township, Wood County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, street lighting, police protection, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

United States Agency issues are valued at cost. Investments in mutual funds (including STAR Ohio) are valued at amounts reported by the mutual fund.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Ambulance District Levy Fund - This fund receives property tax money to pay for ambulance services.

E. Budgetary Process

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

1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. 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 also approve estimated resources.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

3. 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 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's basis of accounting.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

	2003	2002
Demand deposits	\$ 1,304,094	\$ 573,207
Total deposits	1,304,094	573,207
Federal Home Loan Mortgage Corporation Notes	3,806,861	4,777,473
Federal Home Loan Bank Notes	2,642,373	1,387,458
Federal National Mortgage Association Notes	2,877,342	4,012,826
Federal Farm Credit Banks		99,899
Student Loan Marketing Association Notes		73,584
U.S. Treasury Mutual Funds	800,230	23,545
Star Ohio		992,614
Total investments	10,126,806	11,367,399
Total deposits and investments	\$ 11,430,900	\$ 11,940,606

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Notes, Federal National Mortgage Association Notes, Federal Form Credit Notes, and Student Loan Marketing Association Notes are held in book-entry form by the Federal Reserve, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,200,450	\$ 2,096,921	\$ 896,471
Special Revenue	6,475,882	5,585,569	(890,313)
Total	<u>\$ 7,676,332</u>	<u>\$ 7,682,490</u>	<u>\$ 6,158</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 5,833,142	\$ 3,360,001	\$ 2,473,141
Special Revenue	7,022,482	5,299,768	1,722,714
Total	<u>\$ 12,855,624</u>	<u>\$ 8,659,769</u>	<u>\$ 4,195,855</u>

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 732,331	\$ 2,779,035	\$ 2,046,704
Special Revenue	4,889,776	3,992,803	(896,973)
Total	<u>\$ 5,622,107</u>	<u>\$ 6,771,838</u>	<u>\$ 1,149,731</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 5,253,112	\$ 1,164,576	\$ 4,088,536
Special Revenue	6,467,163	4,987,534	1,479,629
Total	<u>\$ 11,720,275</u>	<u>\$ 6,152,110</u>	<u>\$ 5,568,165</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of their wages to OP&F. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles.
- Errors and omissions.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

7. LOAN TO TRANSPORTATION IMPROVEMENT 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 a \$1,286,850 water and sewer bond from the District. The proceeds were used by the District to pay the aforementioned note held by the Township in the amount of \$1,286,850. The bond bears interest at 7 percent, and is payable as tap-in fees are collected. As of December 31, 2001, no tap-in fees have been collected.

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 \$6.5 million to repay this debt. As of December 31, 2003, assessments of \$912,709 have been collected by the Township.

8. LOAN TO THE ROSSFORD ARENA AMPHITHEATER AUTHORITY

In June 1999, the Township loaned the Rossford Arena Amphitheater Authority (the Authority) \$5 million, at 8 percent, to help finance construction of the arena and amphitheater. The loan was due June 1, 2000. The Authority was unable to obtain financing to repay the loan. Construction on the arena and amphitheater ceased in November 1999, due to lack of additional financing. These facilities are substantially incomplete. As of December 31, 2003, the Township has not received any payments related to this obligation. It is uncertain when or if construction will resume or if the Authority will be able to repay this loan.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL 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 the accompanying financial statements of Perrysburg Township, Wood County, (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated November 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the Township's management in a separate letter dated November 23, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the Township's management in a separate letter dated November 23, 2004.

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



Betty Montgomery
Ohio Auditor of State

November 23, 2004

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-40187-001	Trustee William Miller and other family members had interest in the profits or benefits of a public contract entered into by or for the use of the Township.	No	Finding is no longer valid. Mr. Miller was defeated in the last election and is no longer on the Perrysburg Board of Trustees. Also, the Wood County Prosecutor determined there was not a conflict of interest and the case was not prosecuted.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PERRYSBURG TOWNSHIP

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 23, 2004**