



Dave Yost • Auditor of State

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2015	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2014	6
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Schedule of Findings.....	19
Schedule of Prior Audit Findings.....	21

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of Perrysburg Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1B of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than

accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Perrysburg Township, Wood County, Ohio, as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

June 17, 2016

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$500,984	\$5,986,116		\$6,487,100
Charges for Services		346,316		346,316
Licenses, Permits and Fees	198,142			198,142
Fines and Forfeitures	18,854	38,197		57,051
Intergovernmental	529,644	768,819	\$293,120	1,591,583
Special Assessments		79,999		79,999
Earnings on Investments	326,450	6,933		333,383
Miscellaneous	36,686	96,228	25,000	157,914
<i>Total Cash Receipts</i>	<u>1,610,760</u>	<u>7,322,608</u>	<u>318,120</u>	<u>9,251,488</u>
Cash Disbursements				
Current:				
General Government	1,162,622			1,162,622
Public Safety	24,165	5,909,390		5,933,555
Public Works		1,620,346		1,620,346
Health	34,211			34,211
Conservation-Recreation	64,631			64,631
Capital Outlay		703,013	867,834	1,570,847
<i>Total Cash Disbursements</i>	<u>1,285,629</u>	<u>8,232,749</u>	<u>867,834</u>	<u>10,386,212</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>325,131</u>	<u>(910,141)</u>	<u>(549,714)</u>	<u>(1,134,724)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds			299,714	299,714
Transfers In		825,000		825,000
Transfers Out	(825,000)			(825,000)
Advances In	523,077	300,000		823,077
Advances Out	(300,000)	(523,077)		(823,077)
Other Financing Sources	328,819	79,787		408,606
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(273,104)</u>	<u>681,710</u>	<u>299,714</u>	<u>708,320</u>
<i>Net Change in Fund Cash Balances</i>	52,027	(228,431)	(250,000)	(426,404)
<i>Fund Cash Balances, January 1</i>	<u>7,901,417</u>	<u>6,108,052</u>		<u>14,009,469</u>
Fund Cash Balances, December 31				
Restricted		5,879,621		5,879,621
Assigned	1,337,354			1,337,354
Unassigned (Deficit)	6,616,090		(250,000)	6,366,090
<i>Fund Cash Balances, December 31</i>	<u>\$7,953,444</u>	<u>\$5,879,621</u>	<u>(\$250,000)</u>	<u>\$13,583,065</u>

The notes to the financial statements are an integral part of this statement.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$16,435
Employee Cost Share Health Insurance	108,502
Seized Monies	4
<i>Total Operating Cash Receipts</i>	<u>124,941</u>
Operating Cash Disbursements	
Other Operating Cash Disbursements	<u>125,912</u>
<i>Operating Loss</i>	(971)
<i>Fund Cash Balances, January 1</i>	<u>93,225</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$92,254</u></u>

The notes to the financial statements are an integral part of this statement.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$480,038	\$5,588,458		\$6,068,496
Charges for Services		342,990		342,990
Licenses, Permits and Fees	188,759			188,759
Fines and Forfeitures	12,822	45,526		58,348
Intergovernmental	485,584	1,123,071		1,608,655
Special Assessments		82,875		82,875
Earnings on Investments	331,683	12,561		344,244
Miscellaneous	70,941	46,242		117,183
<i>Total Cash Receipts</i>	<u>1,569,827</u>	<u>7,241,723</u>		<u>8,811,550</u>
Cash Disbursements				
Current:				
General Government	1,155,335			1,155,335
Public Safety	22,149	6,596,934		6,619,083
Public Works		1,222,634		1,222,634
Health	31,534			31,534
Conservation-Recreation	28,520			28,520
Capital Outlay			\$13,375	13,375
<i>Total Cash Disbursements</i>	<u>1,237,538</u>	<u>7,819,568</u>	<u>13,375</u>	<u>9,070,481</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>332,289</u>	<u>(577,845)</u>	<u>(13,375)</u>	<u>(258,931)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds			13,375	13,375
Transfers In		1,310,000		1,310,000
Transfers Out	(1,310,000)			(1,310,000)
Other Financing Sources	248,840	9,005		257,845
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,061,160)</u>	<u>1,319,005</u>	<u>\$13,375</u>	<u>271,220</u>
<i>Net Change in Fund Cash Balances</i>	(728,871)	741,160		12,289
<i>Fund Cash Balances, January 1</i>	<u>8,630,288</u>	<u>5,366,892</u>		<u>13,997,180</u>
Fund Cash Balances, December 31				
Restricted		6,108,052		6,108,052
Assigned	1,792,187			1,792,187
Unassigned	6,109,230			6,109,230
<i>Fund Cash Balances, December 31</i>	<u>\$7,901,417</u>	<u>\$6,108,052</u>		<u>\$14,009,469</u>

The notes to the financial statements are an integral part of this statement.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$3,805
Employee Cost Share Health Insurance	167,427
SWAT Revenues	18,000
Seized Monies	<u>6</u>
<i>Total Operating Cash Receipts</i>	<u>189,238</u>
Operating Cash Disbursements	
Other Operating Cash Disbursements	<u>205,515</u>
<i>Operating Loss</i>	(16,277)
<i>Fund Cash Balances, January 1</i>	<u>109,502</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$93,225</u></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, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

The Township participates in five jointly governed organizations. These organizations are:

Wood County Port Authority:

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

Rossford Transportation Improvement District:

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

Toledo-Perrysburg Township Joint Economic Development District (JEDD):

Resolution 2008-26 was approved October 6, 2008 creating a joint economic development district (JEDD) in accordance with ORC 715.72 to 715.83 with the City of Toledo.

New Belleville Ridge Joint Cemetery:

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

Fort Meigs Union Cemetery:

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

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Accounting Basis

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

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

C. Deposits and Investments

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

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

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:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

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

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

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

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

Issue II Fund - The Township received a loan from the State of Ohio for roadway resurfacing.

Street Improvement Fund - The Township received grants for the Third Street widening project.

4. Fiduciary Funds

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township had the following significant Agency Fund:

Employees Cost Share Health Insurance Fund - This fund receives the employees' portion of the health insurance premium withheld from their pay.

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 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.

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 approve estimated resources.

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 2015 and 2014 budgetary activity appears in Note 3.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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:

1. Nonspendable

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

2. 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.

3. 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.

4. Assigned

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

5. 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.

G. Property, Plant, and Equipment

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2015	2014
Demand deposits	\$628,117	\$427,622
Certificates of deposit	851,919	883,671
Other time deposits (savings and NOW accounts)	3,629,907	4,026,887
Total deposits	5,109,943	5,338,180
U.S. Treasury Notes	1,796,926	299,074
Federal Home Loan Mortgage Corporation	1,749,915	1,244,655
Federal Farm Credit Bank	1,003,180	1,505,155
Federal Home Loan Bank	2,001,245	2,700,895
Federal National Mortgage Association	2,014,110	3,014,735
Total investments	8,565,376	8,764,514
Total deposits and investments	\$13,675,319	\$14,102,694

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,075,056	\$2,462,656	\$1,387,600
Special Revenue	9,175,289	8,527,395	(647,894)
Capital Projects		617,834	617,834
Fiduciary	175,000	124,941	(50,059)
Total	\$10,425,345	\$11,732,826	\$1,307,481

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,850,184	\$2,441,422	\$408,762
Special Revenue	9,463,751	9,039,239	424,512
Capital Projects	867,834	867,834	
Fiduciary	193,000	125,912	67,088
Total	\$13,374,769	\$12,474,407	\$900,362

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,107,137	\$1,818,667	\$711,530
Special Revenue	9,563,159	8,560,728	(1,002,431)
Capital Projects		13,375	13,375
Fiduciary	255,000	189,238	(65,762)
Total	\$10,925,296	\$10,582,008	(\$343,288)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,101,992	\$2,564,597	\$537,395
Special Revenue	10,523,173	8,348,431	2,174,742
Capital Projects	13,375	13,375	
Fiduciary	348,000	206,515	141,485
Total	\$13,986,540	\$11,132,918	\$2,853,622

Contrary to Ohio law, in 2015 and 2014, the Village posted monies to incorrect funds.

4. PROPERTY TAX

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

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

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

5. DEBT

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #CE40R	\$186,928	0%
Ohio Public Works Commission Loan #CE43Q	274,069	0%
Total	\$460,997	

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

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

Amortization of the above debt is scheduled as follows:

	OPWC Loan #CE40R	OPWC Loan #CE43Q
Year ending December 31:		
2016	\$4,673	\$6,852
2017	9,346	13,703
2018	9,347	13,704
2019	9,346	13,703
2020	9,347	13,704
2021-2025	46,732	68,517
2026-2030	46,732	68,517
2031-2035	46,732	68,517
2026	4,673	6,852
Total	\$186,928	\$274,069

6. 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. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OP&F participants contributed 10.75% of their wages until July 1, 2014, then they contributed 11.5% of their wages until July 1, 2015, then they contributed 12.25% of their wages. For 2015 and 2014, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, Law Enforcement OPERS members contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. For 2015 and 2014, Local OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

8. 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.

9. LOAN TO TRANSPORTATION DISTRICT

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

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

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5 percent, is payable over 20 years, and is secured by special assessments on property owners in the project area. In June of 2000, the District levied assessments of \$6.8 million to repay this debt. As of December 31, 2015, \$1,903,708 of the principal has been collected by the Township and all the interest payments are current.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

10. LOAN TO FORT MEIGS UNION CEMETERY

In June 2013, the Township loaned Fort Meigs Union Cemetery \$190,000.00. The basic terms and conditions are: the principal sum of \$190,000.00 plus interest at the fixed rate of 2.5% per annum, in 60 consecutive monthly payments, each in the amount of \$3,372. The first payment was due on July 17, 2013 with each monthly payment due on or before the 17th of the month. In June, 2015, the Cemetery elected to pay a one-time payment of an extra \$30,000. As of December 31, 2015, \$122,349 of the principal has been collected by the Township and all the interest payments are current.

11. AGREEMENT WITH ECKEL TRACE DEVELOPMENT, LTD

On August 12, 2015, an Agreement was entered into between Perrysburg Township, Wood County, Ohio ("Township") and Eckel Trace Development, Ltd. ("Developer").

The Township paid for the construction of the Carronade Drive Extension. Developer's obligation for the cost of the construction of the Extension by the Township will not exceed \$300,000. Assessments will be paid by the Developer in twenty (20) semi-annual payments beginning in January 2018. Developer agrees to pay the sum of \$23,077, plus accrued interest, to the Township upon the initial sale of each of the thirteen (13) lots abutting the Extension from Developer in order to pay down the amount owed on the assessment. Developer agrees that Township shall have a lien on each lot for the payment of said amount.

As of December 31, 2015, \$23,077 plus interest had been collected by the Township.

12. INTERFUND TRANSACTIONS

During fiscal year 2014, the General Fund made a transfer in the amount of \$400,000 and \$910,000 to subsidize the Road and Bridge Fund and the Police Levy Fund, respectively. During fiscal year 2015, the General Fund made a transfer in the amount of \$825,000 to subsidize the Road and Bridge Fund. In addition, the General Fund advanced \$300,000 to the Road and Bridge Fund to pay for the Carronade Drive extension and the Road and Bridge Fund advanced \$23,077 of this back in 2015. The Fire/EMS Fund advanced \$500,000 back to the General Fund, which was advanced prior to the levy passing.

This page intentionally left blank.



Dave Yost • Auditor of State

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

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Perrysburg Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2016 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2015-001 and 2015-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001.

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

June 17, 2016

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

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

FINDING NUMBER 2015-001

Material Weakness and Noncompliance Citation

Ohio Rev. Code § 5705.10(D) requires all revenue derived from a source other than general property tax, and which the law prescribes shall be used for a particular purpose, to be paid into a special fund for such purpose.

In 2015, the Township received \$23,077 for sale of lots from the Carronade Drive extension project, which was credited to the General Fund and should have been credited to the Special Revenue, Road and Bridge Fund which paid for the project and then advanced to the General Fund.

In 2015, the Township completed the Third Street widening project with expenses paid out of the Road and Bridge Fund in the amount of \$568,120 and revenues were credited to the General Fund and Road and Bridge Fund in the amounts of \$238,970 and \$79,150 respectively; however, all activity should have been recorded to a Capital Projects Fund.

The above errors were the result of insufficient monitoring by management. The accompanying financial statements and the Township's accounting records were adjusted to reflect this activity in the appropriate funds.

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

Financial activity should be properly reported in the accounting ledgers so management can better assess whether or not financial goals are being met on an ongoing basis. As part of the monitoring process, management should review its records to make sure all amounts are properly reflected in the appropriate funds.

FINDING NUMBER 2015-002

Material Weakness – Monitoring Township Financial Activity

Various transactions were improperly classified in 2015 and 2014 due to insufficient monitoring by management. The financial statements have been adjusted to reflect reclassifications as follows:

- The purchase of fire engines, vehicles, and fire gear were posted as public safety instead of capital outlay in the Special Revenue Funds in the amount of \$703,013 in 2015.
- Principal repaid from the Rossford Transportation Improvement District special assessment bond and Fort Meigs Cemetery was credited to General Fund, miscellaneous revenue instead of other financing sources in the amount of \$328,127 and \$111,186 in 2015 and 2014, respectively.
- In 2015, the Township increased the General Fund balance by \$500,000 and decreased the Fire/EMS Fund balance by the same amount instead of recording the transactions as an advance in and out.
- In 2015, the Township recorded a transfer of \$300,000 from the General Fund to the Road and Bridge Fund; however, the transaction should have been an advance.
- Monies spent on-behalf of the Township by Ohio Public Works Commission, in the amount of \$299,714 and \$13,375 in 2015 and 2014, respectively, were not posted to the Capital Projects Fund.

- The General Fund balance at December 31, 2015 and 2014 was included with the following year's appropriation meaning the fund balance should have been classified as assigned instead of unassigned in the amount of \$1,306,561 and \$1,775,128, respectfully.
- The General Fund had encumbrances classified as committed instead of assigned in the amount of \$30,793 and \$17,059 in 2015 and 2014, respectively.
- The Special Revenue Funds had encumbrances classified as committed instead of restricted in the amount of \$283,412 and \$528,863 in 2015 and 2014, respectively.

In addition, we adjusted the notes to the financial statements to include the outstanding debt of the Township in the amount of \$460,997.

Accurate financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board to identify and correct errors and omissions. In addition, in order to ensure the Village's fund balances are reported in accordance with GASB 54, we recommend the Village review and follow Auditor of State Bulletin 2011-004.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

PERRYSBURG TOWNSHIP
WOOD COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Material Weakness due to errors in financial reporting.	No	Not corrected and repeated in this report as finding 2015-002.

This page intentionally left blank.



Dave Yost • Auditor of State

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
JULY 21, 2016**