



**PERKINS TOWNSHIP  
ERIE COUNTY**

**SINGLE AUDIT / REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2020-2019**



PERKINS TOWNSHIP  
ERIE COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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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 Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of Perkins Township, Erie County, Ohio (the Township).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matters***

As discussed in Note 13 to the 2020 financial statements, during 2020, the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 14 to the 2020 financial statements and Note 12 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

***Other Matters***

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 29, 2021

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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, 2020*

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,121,541	\$5,462,794			\$6,584,335
Charges for Services	600	586,454			587,054
Licenses, Permits and Fees	389,902	32,225			422,127
Fines and Forfeitures		37,918			37,918
Intergovernmental	267,314	1,516,010		\$112,650	1,895,974
Special Assessments	8,947	48,488			57,435
Earnings on Investments	58,224	4,037			62,261
Miscellaneous	457,799	195,699			653,498
<i>Total Cash Receipts</i>	<u>2,304,327</u>	<u>7,883,625</u>		<u>112,650</u>	<u>10,300,602</u>
<b>Cash Disbursements</b>					
<b>Current:</b>					
General Government	1,291,618	59,799		3,378	1,354,795
Public Safety	1,025	5,658,625			5,659,650
Public Works	10,570	1,384,934			1,395,504
Health		53,819			53,819
Conservation-Recreation	115,781	102,766			218,547
Other	2,910				2,910
Capital Outlay				106,187	106,187
<b>Debt Service:</b>					
Principal Retirement			\$66,015	13,750	79,765
Interest and Fiscal Charges			9,916		9,916
<i>Total Cash Disbursements</i>	<u>1,421,904</u>	<u>7,259,943</u>	<u>75,931</u>	<u>123,315</u>	<u>8,881,093</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>882,423</u>	<u>623,682</u>	<u>(75,931)</u>	<u>(10,665)</u>	<u>1,419,509</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets				4,515	4,515
Transfers In		52,000	75,931	27,500	155,431
Transfers Out	(155,431)				(155,431)
Advances In	59,376	59,376			118,752
Advances Out	(59,376)	(59,376)			(118,752)
Other Financing Uses	(275)				(275)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(155,706)</u>	<u>52,000</u>	<u>75,931</u>	<u>32,015</u>	<u>4,240</u>
<i>Net Change in Fund Cash Balances</i>	726,717	675,682		21,350	1,423,749
<i>Fund Cash Balances, January 1, Restated</i>	<u>4,133,865</u>	<u>2,319,360</u>	<u>26</u>	<u>113,607</u>	<u>6,566,858</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$4,860,582</u></u>	<u><u>\$2,995,042</u></u>	<u><u>\$26</u></u>	<u><u>\$134,957</u></u>	<u><u>\$7,990,607</u></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, 2020*

	<b>Custodial Other Custodial</b>
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$8,173
Other Amounts Collected for Distribution	635
	8,808
<b>Deductions</b>	
Distributions to Other Governments	13,289
Distributions to Other Funds (Primary Gov't)	9,262
Distributions of Deposits	450
Other Distributions	44
	23,045
<i>Net Change in Fund Cash Balances</i>	(14,237)
<i>Fund Cash Balances, January 1, Restated</i>	37,647
<i>Fund Cash Balances, December 31</i>	\$23,410

*See accompanying notes to the financial statements*

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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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 6 and 11 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 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, 2020*

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***Debt Service Series 2015 Fund*** The Debt Service Series 2015 Fund accounts for the accumulation of resources to pay the debt service on the ground lease agreement.

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

***Safe Routes to School Fund*** The Township received a federal grant for capital improvements. 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 park rental deposits. 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 (D). 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 (D) 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.

A summary of 2020 budgetary activity appears in Note 3.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***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.

***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, 2020*

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 12.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,908,337	\$2,304,327	\$395,990
Special Revenue	8,309,078	7,935,625	(373,453)
Debt Service	75,940	75,931	(9)
Capital Projects	349,283	144,665	(204,618)
Total	\$10,642,638	\$10,460,548	(\$182,090)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,345,371	\$1,680,707	\$1,664,664
Special Revenue	10,166,370	7,857,189	2,309,181
Debt Service	75,931	75,931	
Capital Projects	525,366	137,065	388,301
Total	\$14,113,038	\$9,750,892	\$4,362,146

**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:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

	2020
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,710,319
Certificates of deposit	2,446,154
STAR Plus	1,714,905
Cash on Hand	150
Other time deposits (savings accounts)	254,380
Total deposits	6,125,908
STAR Ohio	1,888,109
Total deposits and investments	\$8,014,017

***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.

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, 2020, the Township is holding \$67,973 in unremitted employee payroll withholdings.

**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, 2020*

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**Note 6 - 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>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

**Note 7 - 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 participants' gross salaries. The Township has paid all contributions required through December 31, 2020.

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

The Township 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, 2020*

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, 2020.

***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, 2020.

**Note 8 - 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 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

**Note 9 - Debt**

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
Ground Lease Agreement	\$294,581	2.75%
OPWC - Strub Road	151,250	0.00%
Leaf Truck Lease-Purchase	89,334	4.71%
Intrinsic Body Camera Lease-Purchase	18,753	0.00%
Total	\$553,918	

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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

The Township received a \$275,000 interest free loan through the Ohio Public Works Commission (OPWC) in accordance with Ohio Revised Code 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.

***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 Equipment. 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.

***Amortization***

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

Year Ending December 31:	Ground Lease Agreement	OPWC - Strub Road	Leaf Truck Lease - Purchase	Intrensic Body Camera Lease
2021	\$77,357	\$27,500	\$57,213	\$18,753
2022	78,506	27,500	57,213	
2023	79,382	27,500		
2024	79,982	27,500		
2025		27,500		
2026-2030		13,750		
Total	<u>\$315,227</u>	<u>\$151,250</u>	<u>\$114,426</u>	<u>\$18,753</u>

**Note 10 - Contingent Liabilities**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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 11 - 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 \$0 to the Cemetery Association during 2020.

**Note 12 - 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 facilities 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	\$3,327			\$3,327
Outstanding Encumbrances	103,097	\$597,246	\$13,750	714,093
Total	<u>\$106,424</u>	<u>\$597,246</u>	<u>\$13,750</u>	<u>\$717,420</u>

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

**Note 13 - Change in Accounting Principle**

For 2020, the Township has made changes to its cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) - fiduciary fund type, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) - all governmental fund types.

The effect of this change restated beginning cash balance in the General Fund from \$4,133,312 to \$4,133,865, Private Purpose Trust Fund Type from \$737 to \$0, Agency Fund Type from \$37,463 to \$0, and in the Custodial Fund Type from \$0 to \$37,647.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 14 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 15 - Miscellaneous Receipts**

General Fund miscellaneous receipts consisted primarily of proceeds from tower leases and workers compensation refunds.

**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, 2019*

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,466,569	\$5,318,268			\$6,784,837
Charges for Services	275	728,523			728,798
Licenses, Permits and Fees	358,406	99,185			457,591
Fines and Forfeitures		61,456			61,456
Intergovernmental	263,889	724,743		\$2,970	991,602
Special Assessments	18,202	47,093			65,295
Earnings on Investments	143,325	8,102			151,427
Miscellaneous	96,338	122,293			218,631
<i>Total Cash Receipts</i>	<u>2,347,004</u>	<u>7,109,663</u>		<u>2,970</u>	<u>9,459,637</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,130,405			9,300	1,139,705
Public Safety	131,803	5,530,049		33,285	5,695,137
Public Works	12,831	1,628,150		8,407	1,649,388
Health		81,131			81,131
Conservation-Recreation	143,532	709,475		6,609	859,616
Capital Outlay				17,166	17,166
Debt Service:					
Principal Retirement			\$400,904	27,500	428,404
Interest and Fiscal Charges			16,538		16,538
<i>Total Cash Disbursements</i>	<u>1,418,571</u>	<u>7,948,805</u>	<u>417,442</u>	<u>102,267</u>	<u>9,887,085</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>928,433</u>	<u>(839,142)</u>	<u>(417,442)</u>	<u>(99,297)</u>	<u>(427,448)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets				4,017	4,017
Transfers In		596,638	417,452	48,500	1,062,590
Transfers Out	(715,093)	(347,497)			(1,062,590)
Advances In	30,939	30,939			61,878
Advances Out	(30,939)	(30,939)			(61,878)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(715,093)</u>	<u>249,141</u>	<u>417,452</u>	<u>52,517</u>	<u>4,017</u>
<i>Net Change in Fund Cash Balances</i>	213,340	(590,001)	10	(46,780)	(423,431)
<i>Fund Cash Balances, January 1</i>	<u>3,919,972</u>	<u>2,909,361</u>	<u>16</u>	<u>160,387</u>	<u>6,989,736</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		2,319,360		113,607	2,432,967
Assigned	1,513,549		26		1,513,575
Unassigned	2,619,763				2,619,763
<i>Fund Cash Balances, December 31</i>	<u>\$4,133,312</u>	<u>\$2,319,360</u>	<u>\$26</u>	<u>\$113,607</u>	<u>\$6,566,305</u>

See accompanying notes to the financial statements

**Perkins Township**  
*Erie County*  
*Combined Statement of Receipts, Disbursements,*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2019*

	<u>Fiduciary Fund Types</u>		<u>Totals</u>
	<u>Agency</u>	<u>Private Purpose Trust</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts</b>			
Licenses, Permits, and Fees	\$3,908		\$3,908
Fines and Forfeitures	21,444		21,444
<i>Total Operating Cash Receipts</i>	<u>25,352</u>		<u>25,352</u>
<b>Operating Cash Disbursements</b>			
Other	3,967		3,967
<i>Operating Income</i>	<u>21,385</u>		<u>21,385</u>
<b>Non-Operating Receipts</b>			
Miscellaneous Receipts	494		494
<i>Net Change in Fund Cash Balances</i>	21,879		21,879
<i>Fund Cash Balances, January 1</i>	<u>15,584</u>	<u>\$737</u>	<u>16,321</u>
<i>Fund Cash Balances, December 31</i>	<u>\$37,463</u>	<u>\$737</u>	<u>\$38,200</u>

*See accompanying notes to the financial statements*

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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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 6 and 11 to the financial statements provide additional information for these entities.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all fiduciary fund types 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 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, 2019*

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***Debt Service - Road Reconditioning TAN Fund*** The Debt Service - Road Reconditioning TAN Fund accounts for the accumulation of resources to pay the debt service on the tax anticipation notes.

***Capital Project Funds*** These funds account for and report financial resources that are restricted 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:

***OPWC Strub Road Fund*** The OPWC Strub Road Fund accounts for the accumulation of resources to pay the debt service on an Ohio Public Works Commission (OPWC) loan.

***Capital Projects - Fire Fund*** The Capital Projects - Fire Fund is funded through the sale of permanent improvements. The proceeds are restricted for capital improvements.

***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.

The Township's Private Purpose Trust Fund is for the benefit of Elizabeth Genofski.

Agency Funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's Agency Funds account for building fees collected and remitted to the State and for money collected from potential drug cases that are placed in escrow. Once the cases are adjudicated the monies are distributed according to 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 (D). 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 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires each fund (except certain agency 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.



**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

A summary of 2019 budgetary activity appears in Note 3.

**Deposits and Investments**

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

The Township'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.

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

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

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

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

**Note 3 - Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,259,147	\$2,347,004	\$87,857
Special Revenue	8,131,317	7,706,301	(425,016)
Debt Service	417,453	417,452	(1)
Capital Projects	850,104	55,487	(794,617)
Total	<u>\$11,658,021</u>	<u>\$10,526,244</u>	<u>(\$1,131,777)</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,991,095	\$2,244,472	\$1,746,623
Special Revenue	10,696,574	8,633,734	2,062,840
Debt Service	417,464	417,442	22
Capital Projects	967,882	108,267	859,615
Total	<u>\$16,073,015</u>	<u>\$11,403,915</u>	<u>\$4,669,100</u>

**Note 4 - Deposits and Investments**

The Township maintains a deposits 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:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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	2019
Demand deposits	\$450,645
Certificates of deposit	2,408,702
STAR Plus	1,704,961
Cash on Hand	150
Other time deposits (savings accounts)	252,317
Total deposits	4,816,775
STAR Ohio	1,787,730
Total deposits and investments	\$6,604,505

***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 - 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:

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

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

**Note 7 - 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 participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

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

The Township 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, 2019.

***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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

**Note 9 - Debt**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Ground Lease Agreement	\$360,596	2.75%
OPWC - Strub Road	165,000	0.00%
Leaf Truck Lease-Purchase	146,547	4.71%
Intrensic Body Camera Lease-Purchase	37,506	0.00%
Total	\$709,649	

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 Revised Code 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.

**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.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

During 2019, Township entered into a \$56,259 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.

***Amortization***

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

Year Ending December 31:	Ground Lease Agreement	OPWC - Strub Road	Leaf Truck Lease - Purchase	Intrensic Body Camera Lease
2020	\$75,931	\$13,750	\$57,213	\$18,753
2021	77,357	27,500	57,213	18,753
2022	78,506	27,500	57,213	
2023	79,382	27,500		
2024	79,982	27,500		
2025-2029		41,250		
Total	<u>\$391,158</u>	<u>\$165,000</u>	<u>\$171,639</u>	<u>\$37,506</u>

**Note 10 - Contingent Liabilities**

The Township is defendant in a lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter 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. 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 11 - 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 \$1,275 to the Cemetery Association during 2019.

**Perkins Township**  
*Erie County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 12 - Subsequent Event**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 13 - Miscellaneous Receipts**

Agency Fund Type miscellaneous receipts largely consisted of park security deposits.

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**PERKINS TOWNSHIP  
ERIE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation</i>			
<u>Highway Planning and Construction Cluster:</u>			
Highway Planning and Construction	20.205	105034	<u>\$105,187</u>
Total U.S. Department of Transportation			<u><b>105,187</b></u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Erie County</i>			
COVID-19 Coronavirus Relief Fund	21.019	HB481-CRF-Local	<u>660,758</u>
Total U.S. Department of Treasury			<u><b>660,758</b></u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct Program</i>			
Body Worn Camera Policy and Implementation	16.835	N/A	<u>9,377</u>
Total U.S. Department of Justice			<u><b>9,377</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$775,322</b></u>

*The accompanying notes are an integral part of this schedule.*

**PERKINS TOWNSHIP  
ERIE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Perkins Township, Erie County, Ohio (the Township) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the fund balance or changes in fund balance of the Township.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C - INDIRECT COST RATE**

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - MATCHING REQUIREMENTS**

Certain federal programs require the Township to contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

# OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420  
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(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## 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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of Perkins Township, Erie County, Ohio, (the Township) and have issued our report thereon dated October 29, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Township adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Township's Response to Finding***

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the Township's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 29, 2021

# OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Perkins Township  
Erie County  
2610 Columbus Avenue  
Sandusky, Ohio 44870

To the Board of Trustees:

### ***Report on Compliance for the Major Federal Program***

We have audited Perkins Township, Erie County, Ohio's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Perkins Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

### ***Management's Responsibility***

The Township's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

***Opinion on the Major Federal Program***

In our opinion, Perkins Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

***Report on Internal Control Over Compliance***

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 29, 2021

**PERKINS TOWNSHIP  
ERIE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020 AND 2019**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Program's Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Program (list):</b>	Coronavirus Relief Fund - CFDA #21.019
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

**FINDING NUMBER 2020-001**

**Material Weakness - Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Township was the beneficiary of \$105,187 of Safe Routes to School grant monies sent directly to the vendor by the Ohio Department of Transportation during the year ended December 31, 2020. The Fiscal Officer did not record memorandum receipt and expenditure activity for these on-behalf payments in the Capital Projects Fund Type and subsequently omitted the activity (actual receipts, appropriation authority, and budgetary expenditures) in the same amount from the Budgetary Activity note to the financial statements.

These errors were not identified and corrected prior to the Township preparing its financial statements and notes to the financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. The failure to adequately monitor financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements and notes to the financial statements have been adjusted to reflect these changes. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$20 to \$39,037 that we have brought the Township's attention.

To help ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Board of Trustees to help identify and correct errors and omissions. The Fiscal Officer can also refer to Auditor of State Bulletin 2000-008 at the following website address for information on how to properly account for moneys spend on behalf of the Township:

<https://ohioauditor.gov/publications/bulletins/2000/2000-008.pdf>

**Officials' Response:**

The Township has created a policy to ensure that on-behalf of monies will be reported to the Fiscal Officer timely.

**3. FINDINGS FOR FEDERAL AWARDS**

None.





# Perkins Township

Board of Trustees

Fiscal Officer

Timothy Coleman  
 Jeffrey Ferrell  
 James Lang  
 Diane Schaefer

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 2 CFR 200.511(b)  
 DECEMBER 31, 2020 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Material weakness for errors in financial reporting first reported as Finding 2012-001.	Not corrected and reissued as Finding 2020-001 in this report.	Matters related to finding 2018-001 were corrected during the current audit period. However, additional errors not previously communicated in Finding 2018-001 were noted during the current audit due to deficiencies in the Township's internal controls over financial statement monitoring. The Township has created a policy to ensure that on-behalf of monies will be reported to the Fiscal Officer timely.
2018-002	Ohio Rev. Code §§ 5705.15 and 5705.16 and material weakness for improper transfers.	Fully corrected.	



# Perkins Township

Board of Trustees

Fiscal Officer

Timothy Coleman  
Jeffrey Ferrell  
James Lang  
Diane Schaefer

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**DECEMBER 31, 2020 AND 2019**

**Finding Number:** 2020-001  
**Planned Corrective Action:** The Township has created a policy to ensure that on-behalf of monies will be reported to the Fiscal Officer timely.  
**Anticipated Completion Date:** 10/26/2021  
**Responsible Contact Person:** Diane Schaefer, Fiscal Officer

# 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 11/16/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)