



**PERRYSBURG TOWNSHIP
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022-2021

**OHIO AUDITOR OF STATE
KEITH FABER**



**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Perrysburg Township, Wood County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

Efficient • Effective • Transparent

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 22, 2024

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

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$502,223	\$7,526,990		\$8,029,213
Charges for Services		389,415		389,415
Licenses, Permits and Fees	224,659			224,659
Fines and Forfeitures	10,947	293,853		304,800
Intergovernmental	212,988	1,860,564		2,073,552
Special Assessments		81,136		81,136
Earnings on Investments	183,303			183,303
Miscellaneous	622,408	27,428		649,836
<i>Total Cash Receipts</i>	<u>1,756,528</u>	<u>10,179,386</u>		<u>11,935,914</u>
Cash Disbursements				
Current:				
General Government	1,200,071			1,200,071
Public Safety	28,427	7,992,139		8,020,566
Public Works		951,054		951,054
Health	29,541			29,541
Conservation-Recreation	19,737			19,737
Capital Outlay	225,266	1,754,861		1,980,127
Debt Service:				
Principal Retirement			\$23,050	23,050
<i>Total Cash Disbursements</i>	<u>1,503,042</u>	<u>10,698,054</u>	<u>23,050</u>	<u>12,224,146</u>
<i>Net Change in Fund Cash Balances</i>	253,486	(518,668)	(23,050)	(288,232)
<i>Fund Cash Balances, January 1</i>	<u>7,542,024</u>	<u>9,058,060</u>	<u>104,579</u>	<u>16,704,663</u>
<i>Fund Cash Balances, December 31</i>	<u>\$7,795,510</u>	<u>\$8,539,392</u>	<u>\$81,529</u>	<u>\$16,416,431</u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	Custodial
Additions	
Property and Other Local Taxes Collected for Distribution	\$140,491
Intergovernmental	13,692
Amounts Held for Employees	170,354
<i>Total Additions</i>	324,537
Deductions	
Distributions to Other Governments	140,491
Distributions on Behalf of Employees	170,354
<i>Total Deductions</i>	310,845
<i>Net Change in Fund Balances</i>	13,692
<i>Fund Cash Balances, January 1</i>	114,502
<i>Fund Cash Balances, December 31</i>	\$128,194

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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

Jointly Governed Organizations and Public Entity Risk Pool

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 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 The fire district levy fund accounts for and reports property taxes restricted for fire protection within the Township.

Police District Levy Fund The police district levy fund accounts for and reports property taxes restricted for police protection within the Township.

Fire/EMS District Fund The fire/EMS district fund accounts for and reports property taxes restricted for fire/EMS protection within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property taxes restricted for maintenance of roads within the Township.

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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 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 employee cost share health insurance, zoning professional fees, seized monies, and cemetery levy monies.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that 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 2022 budgetary activity appears in Note 4.

Deposits and Investments

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

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

Note 3 – Compliance

Contrary to Ohio law, the Township inappropriately recorded rollback and homestead, grants, auto registration and gas tax receipts in the incorrect funds.

Note 4 – Budgetary Activity

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,182,822	\$1,756,528	\$573,706
Special Revenue	8,956,090	10,179,386	1,223,296
Total	\$10,138,912	\$11,935,914	\$1,797,002

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,792,275	\$1,511,774	\$2,280,501
Special Revenue	11,758,349	10,761,925	996,424
Capital Projects	25,000	23,050	1,950
Total	\$15,575,624	\$12,296,749	\$3,278,875

Note 5 – 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. The Township also has a segregated account, which is a clearing account that is not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	\$5,425,177
Certificates of deposit	412,663
Other time deposits (savings and NOW accounts)	278,406
Total deposits	6,116,246
U.S. Treasury Notes	5,552,997
Federal Home Loan Mortgage Corp	779,207
Federal Home Loan Bank	440,828
Federal National Mortgage Association	3,655,347
Total investments	10,428,379
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$16,544,625

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$9,468 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation 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.

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

At December 31, 2022, \$1,729,641 of deposits were not insured or collateralized due to OPCS reduced collateral requirements.

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.

Note 6 – 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 7 – Risk Management

Risk Pool Membership

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

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

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 24 percent of full-time fire fighters' wages. The Township has paid all contributions required through December 31, 2022.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #CE40R	\$130,849	0%
Ohio Public Works Commission Loan #CE43Q	191,848	0%
Total	\$322,697	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland and Windford road improvements. The Ohio Public Works Commission (OPWC) loan #CE43Q relates to 2013 resurfacing of Five Point, White and Reitz project. The OPWC deferred the July 2020 payment due to COVID-19. The Township had the option of either paying an extra payment with their January 2021 payment or push the payment to the end of the loan. The Township elected to defer the payment on both loans until the end of the loans.

Amortization

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

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2023	\$9,346	\$13,703
2024	9,346	13,704
2025	9,347	13,703
2026	9,346	13,704
2027	9,346	13,703
2028-2032	46,732	68,517
2033-2036	37,386	54,814
Total	\$130,849	\$191,848

Note 11 – Contingent Liabilities

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 12 – Jointly Governed Organizations

Wood County Port Authority

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Wood County Transportation Improvement District

The Wood County Transportation Improvement District (TID) is a distinct political subdivision of the State of Ohio established to finance and construct roads and water and sewer lines in Wood County. The TID was created under Section 5540.02 of the Ohio Revised Code. The TID is controlled by a ten-member Board of Trustees; two voting members are appointed by the County Commissioners, three voting members are appointed by the legislative authority of the most populous municipal corporation to the TID, two voting members are appointed by the township trustees of the most populous township (Perrysburg Township), and the County Engineer is a voting member. Two non-voting members include members of the General Assembly in whose legislative district the TID is located. Financial information can be obtained from the Wood County Engineer, One Courthouse Square, Suite 3, Bowling Green, Ohio 43402.

New Belleville Ridge Joint Cemetery

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

Fort Meigs Union Cemetery

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

Note 13 – Loan to Transportation District

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

In September 2000, the Township purchased \$661,310 of water and \$652,540 of sewer bonds from the District. The proceeds were used by the District to pay the aforementioned notes held by the Township in the amount of \$1,286,850. The bonds matured on December 1, 2015. The bonds bore interest at 7 percent, but only to the extent of any tap-in fees actually paid. As of November 24, 2015, a total of \$85,405 had been collected by the Township in interest and no principal had been collected. The District was unable to pay this obligation when due. On November 24, 2015, the bonds were cancelled and the District pledged to pay the Township 68.2% of the \$2,000 per acre System Development Fee imposed on the Property (the "RTID-System Development Fee"). As of December 31, 2022, 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. During 2020, the Township trustees approved the cancellation of the remaining outstanding debt. The bond was surrendered to the bond trustee and all remaining funds held by the trustee will be distributed to the Township and the City of Rossford in accordance with their respective interests.

Note 14 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$8,732	\$63,871	\$72,603

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Miscellaneous Revenues

During 2022, the Township received significant General Fund miscellaneous revenues consisting of payments in lieu of taxes, Bureau of Workers Comp refunds, and other various miscellaneous revenues.

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

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$497,471	\$7,577,265		\$8,074,736
Charges for Services		337,528		337,528
Licenses, Permits and Fees	224,972			224,972
Fines and Forfeitures	6,148	158,733		164,881
Intergovernmental	157,172	1,827,929		1,985,101
Special Assessments		83,534		83,534
Earnings on Investments	274,057			274,057
Miscellaneous	1,124,573	544,542		1,669,115
<i>Total Cash Receipts</i>	<u>2,284,393</u>	<u>10,529,531</u>		<u>12,813,924</u>
Cash Disbursements				
Current:				
General Government	1,168,252			1,168,252
Public Safety	21,818	7,357,983		7,379,801
Public Works		904,499		904,499
Health	20,288			20,288
Conservation-Recreation	24,180			24,180
Capital Outlay		1,499,112		1,499,112
Debt Service:				
Principal Retirement			\$23,050	23,050
<i>Total Cash Disbursements</i>	<u>1,234,538</u>	<u>9,761,594</u>	<u>23,050</u>	<u>11,019,182</u>
<i>Net Change in Fund Cash Balances</i>	1,049,855	767,937	(23,050)	1,794,742
<i>Fund Cash Balances, January 1</i>	<u>6,492,169</u>	<u>8,290,123</u>	<u>127,629</u>	<u>14,909,921</u>
<i>Fund Cash Balances, December 31</i>	<u>\$7,542,024</u>	<u>\$9,058,060</u>	<u>\$104,579</u>	<u>\$16,704,663</u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2021

	Custodial
Additions	
Property and Other Local Taxes Collected for Distribution	\$145,413
Fines, Licenses and Permits for Distribution	21,665
Earnings on Investments	3
Intergovernmental	7,081
Amounts Held for Employees	182,288
<i>Total Additions</i>	<i>356,450</i>
Deductions	
Distributions to Other Governments	167,073
Distributions on Behalf of Employees	182,289
<i>Total Deductions</i>	<i>349,362</i>
<i>Net Change in Fund Balances</i>	<i>7,088</i>
<i>Fund Cash Balances, January 1</i>	<i>107,414</i>
<i>Fund Cash Balances, December 31</i>	<i>\$114,502</i>
<i>See accompanying notes to the basic financial statements</i>	

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

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

Jointly Governed Organizations and Public Entity Risk Pool

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) 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 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 The fire district levy fund accounts for and reports property taxes restricted for fire protection within the Township.

Police District Levy Fund The police district levy fund accounts for and reports property taxes restricted for police protection within the Township.

Fire/EMS District Fund The fire/EMS district fund accounts for and reports property taxes restricted for fire/EMS protection within the Township.

Road and Bridge Fund The road and bridge fund accounts for and reports property taxes restricted for maintenance of roads within the Township.

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

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 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 employee cost share health insurance, zoning professional fees, seized monies, and cemetery levy monies.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that 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 2021 budgetary activity appears in Note 4.

Deposits and Investments

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

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

Note 3 – Compliance

Contrary to Ohio law, the Township inappropriately recorded rollback and homestead, special assessment, auto registration and gas tax receipts in the incorrect funds.

Note 4 – Budgetary Activity

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,371,641	\$2,284,393	\$912,752
Special Revenue	9,672,821	10,529,531	856,710
Total	\$11,044,462	\$12,813,924	\$1,769,462

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,452,227	\$1,475,513	\$976,714
Special Revenue	11,140,954	10,088,543	1,052,411
Capital Projects	25,000	23,050	1,950
Total	\$13,618,181	\$11,587,106	\$2,031,075

Note 5 – 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. The Township also has a segregated account, which is a clearing account that is not part of this pool. A summary of the Township's deposit and investment accounts are as follows:

	2021
Cash Management Pool:	
Demand deposits	\$5,863,453
Certificates of deposit	413,467
Other time deposits (savings and NOW accounts)	1,941,422
Total deposits	8,218,342
U.S. Treasury Notes	3,725,441
Federal Home Loan Mortgage Corp	779,207
Federal Home Loan Bank	440,828
Federal National Mortgage Association	3,655,347
Total investments	8,600,823
<i>Total carrying amount of deposits and investments held in the Pool</i>	<i>\$16,819,165</i>

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$649 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation 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.

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

At December 31, 2021, \$1,494,138 of deposits were not insured or collateralized due to OPCS reduced collateral requirements.

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.

Note 6 – 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 7 – Risk Management

Risk Pool Membership

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

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

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

The Township certified 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, 2021.

Social Security

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

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

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

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 10 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #CE40R	\$140,196	0%
Ohio Public Works Commission Loan #CE43Q	205,551	0%
Total	\$345,747	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland and Windford road improvements. The Ohio Public Works Commission (OPWC) loan #CE43Q relates to 2013 resurfacing of Five Point, White and Reitz project. The OPWC deferred the July 2020 payment due to COVID-19. The Township had the option of either paying an extra payment with their January 2021 payment or push the payment to the end of the loan. The Township elected to defer the payment on both loans until the end of the loans.

Amortization

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

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2022	\$9,347	\$13,703
2023	9,346	13,703
2024	9,346	13,704
2025	9,347	13,703
2026	9,346	13,704
2027-2031	46,732	68,517
2032-2036	46,732	68,517
Total	\$140,196	\$205,551

Note 11 – Contingent Liabilities

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 12 – Jointly Governed Organizations

Wood County Port Authority

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

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Wood County Transportation Improvement District

The Wood County Transportation Improvement District (TID) is a distinct political subdivision of the State of Ohio established to finance and construct roads and water and sewer lines in Wood County. The TID was created under Section 5540.02 of the Ohio Revised Code. The TID is controlled by a ten-member Board of Trustees; two voting members are appointed by the County Commissioners, three voting members are appointed by the legislative authority of the most populous municipal corporation to the TID, two voting members are appointed by the township trustees of the most populous township (Perrysburg Township), and the County Engineer is a voting member. Two non-voting members include members of the General Assembly in whose legislative district the TID is located. Financial information can be obtained from the Wood County Engineer, One Courthouse Square, Suite 3, Bowling Green, Ohio 43402.

New Belleville Ridge Joint Cemetery

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

Fort Meigs Union Cemetery

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

Note 13 – Loan to Transportation District

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

In September 2000, the Township purchased \$661,310 of water and \$652,540 of sewer bonds from the District. The proceeds were used by the District to pay the aforementioned notes held by the Township in the amount of \$1,286,850. The bonds matured on December 1, 2015. The bonds bore interest at 7 percent, but only to the extent of any tap-in fees actually paid. As of November 24, 2015, a total of \$85,405 had been collected by the Township in interest and no principal had been collected. The District was unable to pay this obligation when due. On November 24, 2015, the bonds were cancelled and the District pledged to pay the Township 68.2% of the \$2,000 per acre System Development Fee imposed on the Property (the "RTID-System Development Fee"). As of December 31, 2021, 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. During 2020, the Township trustees approved the cancellation of the remaining outstanding debt. The bond was surrendered to the bond trustee and all remaining funds held by the trustee will be distributed to the Township and the City of Rossford in accordance with their respective interests.

Note 14 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Perrysburg Township
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	\$240,975	\$326,949	\$567,924

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 15 – Miscellaneous Revenues

During 2021, the Township received significant General Fund miscellaneous revenues consisting of payments in lieu of taxes, Bureau of Workers Comp refunds, and other various miscellaneous revenues.



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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Perrysburg Township, Wood County, Ohio (the Township) and have issued our report thereon dated May 22, 2024, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2022-001 through 2022-002 and 2022-005 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings as items 2022-003 and 2022-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-005.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the findings identified in our audit and described in the accompanying schedule of findings. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 22, 2024

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

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 following errors were noted in the accompanying 2022 and 2021 financial statements:

- In 2022, receipts from payment in lieu of taxes in the amount of \$575,101 were correctly posted as miscellaneous receipts in the accounting system. However, during the compilation of the financial reports, this amount was incorrectly adjusted to property and other local taxes in the General Fund.
- In 2022, earnings on investments of \$40,505 were not posted to the accounting system in the General Fund.
- In 2022, motor vehicle license tax and gas tax revenues of \$403,540 were incorrectly posted as property taxes instead of intergovernmental receipts in the Special Revenue Funds.
- In 2022, a \$2,707 ARPA receipt was not recorded in the accounting system. It should have been recorded as intergovernmental receipts in the Special Revenue Funds.
- In 2021, an amount of \$11,108 for property and other local taxes was incorrectly entered in the General Fund twice.
- In 2021, receipts from payment in lieu of taxes were incorrectly posted to the General Fund property and other local taxes and intergovernmental receipts in the amounts of \$467,813 and \$130,685, respectively. The total amount of \$598,498 should have been posted as miscellaneous receipts.
- In 2021, the ARPA Grant amount of \$678,054 was not posted to the Revenue Ledger. The amount should have been posted as intergovernmental receipts in the Special Revenue Funds.
- In 2021, \$57,207 of local government distributions from Wood County were incorrectly posted to the General Fund as property and other local taxes. These receipts should have been posted to intergovernmental receipts.
- In 2021, amounts of \$35,492 were double posted into the Special Revenue Funds as intergovernmental receipts.
- In 2021, principal revenue from bonds in the amount of \$149,727 was correctly recorded as miscellaneous receipts in the General Fund in the accounting system. However, during the compilation of the financial statements this revenue was incorrectly adjusted to earnings on investments.
- In 2021, \$105,125 of earnings on investments was not recorded in the accounting system. This should have been recorded in the General Fund.
- In 2021, motor vehicle license tax and gas tax receipts of \$400,258 were incorrectly posted as property taxes instead of intergovernmental receipts in the Special Revenue Funds.
- In 2021, payroll transactions were under reported on the financial statements resulting in under reporting of general government disbursements in the General Fund of \$47,932 and an under reporting of public works and public safety disbursements in the Special Revenue Funds of \$23,161 and \$251,080, respectively.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Township Board of Trustees making misinformed decisions. The accompanying financial statements, notes to the financial statements, and accounting records have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified misstatements ranging from \$1,648 to \$329,132 that we have brought to the Townships attention.

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.

FINDING NUMBER 2022-002

Material Weakness – Bank Reconciliations

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

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

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

During 2022 and May through December of 2021, no monthly bank reconciliations were performed. During January through April 2021, the Township Accounting Secretary and prior Fiscal Officer were each responsible for doing a portion of the monthly bank reconciliation; the Fiscal Officer reconciled the investments, and the Accounting Secretary reconciled the demand deposit accounts. The two sets of figures were presented on a bank reconciliation report, but they were not totaled and there was no indication of the bank reconciliation being agreed to the book balance. The Township reported previous month's investment income that was posted during the current month as a reconciling item on the bank reconciliation. The investment accounts' bank balances were calculated based on the reconciling item and did not agree to the bank statements from the financial institution. In addition, the Trustees reviewed a cash position and bank report for January through April of 2021; however, because of the presentation of the bank reconciliation these reviews could not be effective. The current Fiscal Officer did perform a bank to book reconciliation for all of 2021 and 2022 to ensure all activity was posted to the financial statements as part of the report preparation process. There is a remaining variance between the audited fund balances and the reconciled bank balance for 2022 and 2021 in the amounts of \$5,582 (.0003%) and \$60,010 (.004%), respectively.

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

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

FINDING NUMBER 2022-003

Significant Deficiency – Accounting System

Benefits of effectively and efficiently utilizing an accounting software program include increased accuracy of financial information by reducing or eliminating human errors in calculation, time savings and more accurate reporting. The Township utilized Software Solutions (SSI) for its accounting needs during 2021 and 2022. SSI is utilized by over 350 local governments across ten states and comes with a communication and education program for its clients.

The Township did not fully utilize the functionalities of SSI. The Township was unable to provide a system report which showed budget versus actual information or a report that showed the vendor and description of expenditures. These types of reports would be very useful to the Board of Trustees and Finance Committee as a monitoring control. In addition, the Township was unable to generate annual financial statements using the software. As a result, the annual report was manually prepared and there were errors noted in the rollup of the revenue and expenditure accounts from the system to the financial statements. The financial statement preparer also moved revenues and expenditures from one fund type to another without the Township adjusting its records. This resulted in the revenues, expenditures, and ending fund balances on the financial statements not agreeing to the system. The Township also failed to close out the 2022 records and when 2023 transactions were entered they were added to the 2022 transactions. This led to the inability to create any accurate 2022 reports. Adjustments have been posted by the Fiscal Officer to update the accounting system.

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

FINDING NUMBER 2022-004

Significant Deficiency – Posting of Transactions

Sound financial reporting is the responsibility of the Fiscal Officer and Governing Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To achieve this, effectively and efficiently utilizing an accounting software program increases the accuracy of financial information by reducing or eliminating human errors in calculation, time savings and more accurate reporting. The Township failed to enter the following transactions into their accounting software:

- The Township did not post any Interest Receipts from mid 2021 through the end of 2022. Adjustments were made to the Financial Statements at the end of each year by the Fiscal Officer to account for the Interest Revenue not posted.
- The Township failed to post ARP receipts to the accounting software in 2021 and 2022.
- The Township did not post any payroll transactions to the system from the middle of 2021 through 2022. Adjustments were made to Financial Statements at the end of each year by the Fiscal Officer to account for the unposted transactions.

These errors were the result of inadequate policies and procedures in reviewing the transactions posted to the accounting system. Failure to accurately and completely post transactions could lead to the Township Board of Trustees making misinformed decisions, funds being used inappropriately, or fraud.

The Board should establish policies and procedures for posting of all transactions to the accounting system. In addition, the Board should review the transactions and supporting documentation, including the Cash Reconciliations and Bank Statements to help ensure timely and accurate posting of transactions.

FINDING NUMBER 2022-005

Noncompliance and Material Weakness

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

The following errors were noted in the accompanying 2022 and 2021 financial statements:

- In 2022, the Township inappropriately recorded \$537,918 of real estate homestead and rollback intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Road and Bridge, Fire Special Levy, Police Special Levy, Ambulance, EMS/Fire, and Cemetery Tax funds in the amounts of \$57,899, \$99,685, \$212,638, \$21,597, \$132,915, and \$13,184, respectively.
- In 2022, the Township inappropriately recorded \$22,743 of mobile home homestead and rollback intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Road and Bridge, Fire Special Levy, Police Special Levy, Ambulance, EMS/Fire, and Cemetery Tax funds in the amounts of \$2,917, \$3,897, \$9,352, \$873, \$5,196, and \$508, respectively.
- In 2022, the Township inappropriately recorded \$13,571 of solid waste district grant intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Solid Waste fund.
- In 2022, the Township inappropriately recorded \$1,058 of auto registration intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Motor Vehicle License fund.
- In 2022, the Township inappropriately recorded \$117,598 of intergovernmental receipts in the Motor Vehicle License fund. Given the source of the revenue, this should have been recorded in the Gas Tax and Permissive Tax funds in the amounts of \$9,897 and \$107,701, respectively.
- In 2022, \$23,050 of debt payments were inappropriately made from the General Fund. Given the purpose of the disbursement, these should have been recorded in the Capital Projects Fund. The Fiscal Officer adjusted \$11,525 when she compiled the annual report.
- In 2021, the Township inappropriately recorded \$269,752 of real estate homestead and rollback intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Road and Bridge, Fire Special Levy, Police Special Levy, Ambulance, EMS/Fire, and Cemetery Tax funds in the amounts of \$29,177, \$49,915, \$106,686, \$10,815, \$66,553, and \$6,606, respectively.
- In 2021, the Township inappropriately recorded \$21,329 of mobile home homestead and rollback intergovernmental receipts in the General Fund. Given the source of the revenue, this should have been recorded in the Road and Bridge, Fire Special Levy, Police Special Levy, Ambulance, EMS/Fire, and Cemetery Tax funds in the amounts of \$2,773, \$3,630, \$8,795, \$815, \$4,841, and \$475, respectively.

- In 2021, the Township inappropriately recorded \$64,559 of intergovernmental receipts in the Motor Vehicle License fund. Given the source of the revenue, this should have been recorded in the Permissive Tax fund.
- In 2021, during the compilation of the Financial Reports, an amount of \$43,948 was adjusted out of the General Fund Property and Other Local Taxes to Special Revenue Funds Special Assessments for street lighting. The amount adjusted was for the first half settlement, but should have been for the second half settlement which was posted incorrectly. The correct amount of this adjustment should have been \$39,587. The difference of \$4,361 should not have been adjusted out of the General Fund and should have been recorded in the Street Lighting fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting these misstatements.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Township should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response:

During the audit period there were multiple changes in the accounting staff and Fiscal Officer position. The newly elected Fiscal Officer is implementing new internal control procedures to ensure accurate accounting and reporting and to mitigate risk of fraud and material misstatements.



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Gary Britten
Robert Mack
Joe Schaller

FISCAL OFFICER
Gretchen Welch

ADMINISTRATOR
Jon Eckel

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

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material weakness due to posting errors were noted resulting in adjustments posted to the financial statements.	Not corrected and reissued as Finding 2022-001 in this report.	There was turnover in the Fiscal Officer position, but the current Fiscal Officer will review the errors and ensure proper procedures are in place to make corrections in the future.
2020-002	Significant deficiency for weaknesses in accounting system. This issue was first reported in the 2018-2019 audit.	Not corrected and reissued as Finding 2022-003 in this report.	Issue had not been addressed, however, the Township converted to UAN in 2023 where proper monthly accounting is being performed.
2020-003	Significant deficiency for weaknesses in bank reconciliations. This issue was first reported in the 2018-2019 audit.	Not corrected and reissued as Finding 2022-002 in this report.	Issue had not been addressed, however, the Township converted to UAN in 2023 where proper monthly accounting is being performed.

Notice: Ohio has a very broad public records law. Most written communications to or from Perrysburg Township officials/employees regarding Township business are public records available to the public and media. This communication may be subject to public disclosure.

OHIO AUDITOR OF STATE KEITH FABER



PERRYSBURG TOWNSHIP

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/4/2024

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This report is a matter of public record and is available online at
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