



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PERKINS TOWNSHIP
ERIE COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 1999	6
Notes to the Financial Statements	9
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15

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REPORT OF INDEPENDENT ACCOUNTANTS

Perkins Township
Erie County
5420 Milan Avenue
Sandusky, Ohio 44870-5890

To the Board of Trustees:

We have audited the accompanying financial statements of Perkins Township (the Township) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

Jim Petro
Auditor of State

September 7, 2001

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**PERKINS TOWNSHIP
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Local Taxes	\$1,556,370	\$1,600,117
Intergovernmental	815,577	240,755
Special Assessments		4,572
Charges for Services	12,422	
Licenses, Permits, and Fees	42,180	91,956
Fines, Forfeitures, and Penalties	48,602	24,020
Earnings on Investments	169,160	4,317
Other Revenue	151,761	120,645
	<u>2,796,072</u>	<u>2,086,382</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
General Government	772,389	
Public Safety	1,095,559	1,354,558
Public Works	2,787	418,248
Health		5,832
Conservation - Recreation	11,805	
Miscellaneous		813
Debt Service:		
Redemption of Principal		463
Interest and Fiscal Charges		
Personal Services		10,208
Contractual Services		50,132
Capital Outlay	897,974	359,759
	<u>2,780,514</u>	<u>2,200,013</u>
Total Cash Disbursements		
Total Receipts Over/(Under) Disbursements	<u>15,558</u>	<u>(113,631)</u>
Other Financing Receipts/(Disbursements):		
Transfers-In	52,000	12,945
Transfers-Out	(54,792)	(57,945)
Other Sources	2,339	1,680
	<u>(453)</u>	<u>(43,320)</u>
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,105	(156,951)
Fund Cash Balances, January 1	<u>1,854,319</u>	<u>1,012,195</u>
Fund Cash Balances, December 31	<u>\$1,869,424</u>	<u>\$855,244</u>
Reserve for Encumbrances, December 31	<u>\$259,749</u>	<u>\$166,865</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonexpendable Trust</u>	<u>Agency</u>	
	\$170,771			\$3,156,487
			\$1,550	1,227,103
				6,122
				12,422
				134,136
		\$11		72,622
				173,488
				272,406
	170,771	11	1,550	5,054,786
			1,543	773,932
				2,450,117
				421,035
				5,832
				11,805
				813
\$44,145				44,608
4,371				4,371
				10,208
				50,132
	170,771			1,428,504
48,516	170,771		1,543	5,201,357
(48,516)		11	7	(146,571)
47,792				112,737
				(112,737)
				4,019
47,792				4,019
(724)		11	7	(142,552)
724		666		2,867,904
		\$677	\$7	\$2,725,352
				\$426,614

**PERKINS TOWNSHIP
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Cash Receipts:			
Local Taxes	\$1,517,444	\$1,596,007	
Intergovernmental	845,104	399,040	
Special Assessments		5,212	
Charges for Services	5,400		
Licenses, Permits, and Fees	52,206	109,929	
Fines, Forfeitures, and Penalties	41,443	20,074	
Earnings on Investments	138,891	5,799	
Other Revenue	129,725	108,380	
	2,730,213	2,244,441	
Cash Disbursements:			
Current:			
General Government	805,701		
Public Safety	874,706	1,456,679	
Public Works	3,271	358,659	
Health		6,940	
Conservation - Recreation	8,894		
Personal Services		9,500	
Contract Services		70,322	
Supplies and Materials		105	
Capital Outlay	1,001,710	98,899	
	2,694,282	2,001,104	
Total Receipts Over/(Under) Disbursements	35,931	243,337	
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes	88,290		
Transfers-In		79,115	
Transfers-Out	(63,000)	(16,115)	
Other Sources	5,134	1,180	
	30,424	64,180	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	66,355	307,517	
Fund Cash Balances, January 1	1,787,964	704,678	\$724
Fund Cash Balances, December 31	\$1,854,319	\$1,012,195	\$724
Reserve for Encumbrances, December 31	\$460,019	\$360,339	

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

<u>Fiduciary Fund Types</u>		<u>Totals</u>
<u>Nonexpendable</u>	<u>Agency</u>	<u>(Memorandum</u>
<u>Trust</u>		<u>Only)</u>
		\$3,113,451
		1,244,144
	\$2,526	7,738
		5,400
		162,135
		61,517
\$16		144,706
		238,105
<hr/>	<hr/>	<hr/>
16	2,526	4,977,196
	3,180	808,881
		2,331,385
		361,930
		6,940
		8,894
		9,500
		70,322
		105
		1,100,609
<hr/>	<hr/>	<hr/>
	3,180	4,698,566
16	(654)	278,630
<hr/>	<hr/>	<hr/>
		88,290
		79,115
		(79,115)
		6,314
<hr/>	<hr/>	<hr/>
		94,604
<hr/>	<hr/>	<hr/>
16	(654)	373,234
650	654	2,494,670
<hr/>	<hr/>	<hr/>
\$666		\$2,867,904
<hr/>	<hr/>	<hr/>
		\$820,358
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**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perkins Township, Erie County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including park operations (leisure time activities), road and bridge maintenance, cemetery maintenance, police protection, fire protection and emergency medical services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

D. Fund Accounting

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

1. General Fund

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

**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

Fire Special Levy Fund - This fund receives property tax money which is used for providing fire protection services

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project fund:

Issue II Fund - This fund receives proceeds from Issue II monies which are being used for capital improvements.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$228,335)	(\$13,928)
Certificates of deposit	500,000	525,010
Total deposits	<u>271,665</u>	<u>511,082</u>
STAR Ohio	2,453,687	2,356,822
Total investments	<u>2,453,687</u>	<u>2,356,822</u>
Total deposits and investments	<u>\$2,725,352</u>	<u>\$2,867,904</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,359,738	\$2,850,411	\$490,673
Special Revenue	2,181,929	2,101,007	(80,922)
Debt Service	47,792	47,792	
Capital Projects	90,000	170,771	80,771
Fiduciary	4,000	1,561	(2,439)
Total	<u>\$4,683,459</u>	<u>\$5,171,542</u>	<u>\$488,083</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,394,748	\$3,095,055	\$299,693
Special Revenue	2,613,176	2,424,823	188,353
Debt Service	48,516	48,516	
Capital Projects	288,117	170,771	117,346
Fiduciary	4,000	1,543	2,457
Total	<u>\$6,348,557</u>	<u>\$5,740,708</u>	<u>\$607,849</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,334,749	\$2,823,637	\$488,888
Special Revenue	2,276,288	2,324,736	48,448
Capital Projects	200,000		(200,000)
Fiduciary	4,000	2,542	(1,458)
Total	<u>\$4,815,037</u>	<u>\$5,150,915</u>	<u>\$335,878</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,109,213	\$3,217,301	\$891,912
Special Revenue	2,651,524	2,377,558	273,966
Capital Projects	198,117	198,117	
Fiduciary	4,654	3,180	1,474
Total	<u>\$6,963,508</u>	<u>\$5,796,156</u>	<u>\$1,167,352</u>

**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Police Cruisers Purchase Notes	\$44,145	4.95%

The Police Cruisers Purchase Notes were issued to finance the purchase of ten cruisers to be used by the Police Department. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	Police Cruiser Purchase Notes
2001	\$46,330

6. RETIREMENT SYSTEMS

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

**PERKINS TOWNSHIP
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of OP&F contributed 10% of their wages to the OP&F. The Township contributed an amount equal to 24.0% of their wages. For PERS, police officers contributed 9% of their gross salaries. The Township contributed an amount equal to 16.7% and 15.7 % of participants' gross salaries for 1999 and 2000, respectively. Other employees contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township has paid all contributions required through December 31, 2000.

7. RISK POOL MEMBERSHIP

The Township belongs to the Ohio Government Risk Management Plan (the Plan), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible. The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

The Township also provides health insurance to full-time employees through a private carrier.

8. CONTINGENT LIABILITIES

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

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Perkins Township
Erie County
5420 Milan Avenue
Sandusky, Ohio 44870-5890

To the Board of Trustees:

We have audited the accompanying financial statements of Perkins Township (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated September 7, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated September 7, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated September 7, 2001.

Perkins Township
Erie County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

September 7, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PERKINS TOWNSHIP

ERIE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 2, 2001**