



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Perrysburg Township (the Township) as of and for the years ended December 31, 2001 and 2000. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2001 and 2000, 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 June 18, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 18, 2002

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$485,733	\$3,433,907	\$3,919,640
Intergovernmental	1,295,550	370,415	1,665,965
Special Assessments		44,480	44,480
Charges for Services		114,746	114,746
Licenses, Permits, and Fees	162,712		162,712
Fines, Forfeitures, and Penalties	13,253	20,268	33,521
Earnings on Investments	737,854	1,227	739,081
Other Revenue	68,370	51,804	120,174
	<u>2,763,472</u>	<u>4,036,847</u>	<u>6,800,319</u>
Total Cash Receipts			
	<u>2,763,472</u>	<u>4,036,847</u>	<u>6,800,319</u>
Cash Disbursements:			
Current:			
General Government	792,975		792,975
Public Safety	69,179	3,152,171	3,221,350
Public Works	2,657	506,260	508,917
Health	29,733		29,733
Conservation - Recreation	31,831		31,831
Miscellaneous		31,000	31,000
Capital Outlay	155,981	558,937	714,918
	<u>1,082,356</u>	<u>4,248,368</u>	<u>5,330,724</u>
Total Cash Disbursements			
	<u>1,082,356</u>	<u>4,248,368</u>	<u>5,330,724</u>
Total Receipts Over/(Under) Disbursements	<u>1,681,116</u>	<u>(211,521)</u>	<u>1,469,595</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		691,000	691,000
Transfers-Out	(691,000)		(691,000)
	<u>(691,000)</u>	<u>691,000</u>	<u></u>
Total Other Financing Receipts/(Disbursements)			
	<u>(691,000)</u>	<u>691,000</u>	<u></u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	990,116	479,479	1,469,595
Fund Cash Balances, January 1	<u>7,025,590</u>	<u>2,471,136</u>	<u>9,496,726</u>
Fund Cash Balances, December 31	<u>\$8,015,706</u>	<u>\$2,950,615</u>	<u>\$10,966,321</u>
Reserve for Encumbrances, December 31	<u>\$312,462</u>	<u>\$333,009</u>	<u>\$645,471</u>

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$500,507	\$3,494,442	\$3,994,949
Intergovernmental	1,160,813	368,786	1,529,599
Special Assessments		48,393	48,393
Charges for Services		119,994	119,994
Licenses, Permits, and Fees	96,090		96,090
Fines, Forfeitures, and Penalties	22,234	2,195	24,429
Earnings on Investments	944,645	12,079	956,724
Other Revenue	12,767	58,702	71,469
	<u>2,737,056</u>	<u>4,104,591</u>	<u>6,841,647</u>
Total Cash Receipts			
	<u>2,737,056</u>	<u>4,104,591</u>	<u>6,841,647</u>
Cash Disbursements:			
Current:			
General Government	702,200		702,200
Public Safety	3,694	3,099,200	3,102,894
Public Works	4,341	430,355	434,696
Health	30,516		30,516
Conservation - Recreation	25,500		25,500
Miscellaneous		34,074	34,074
Capital Outlay	143,591	615,458	759,049
	<u>909,842</u>	<u>4,179,087</u>	<u>5,088,929</u>
Total Cash Disbursements			
	<u>909,842</u>	<u>4,179,087</u>	<u>5,088,929</u>
Total Receipts Over/(Under) Disbursements	<u>1,827,214</u>	<u>(74,496)</u>	<u>1,752,718</u>
Other Financing Receipts and (Disbursements):			
Transfers-In		1,100,000	1,100,000
Transfers-Out	(1,100,000)		(1,100,000)
Purchase of Bonds from Rossford			
Transportation Improvement District	(5,851,850)		(5,851,850)
Purchase of Note	(1,286,850)		(1,286,850)
Proceeds from Sale of Note	1,286,850		1,286,850
	<u>(6,951,850)</u>	<u>1,100,000</u>	<u>(5,851,850)</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(6,951,850)</u>	<u>1,100,000</u>	<u>(5,851,850)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(5,124,636)</u>	<u>1,025,504</u>	<u>(4,099,132)</u>
Fund Cash Balances, January 1	<u>12,150,226</u>	<u>1,445,632</u>	<u>13,595,858</u>
Fund Cash Balances, December 31	<u><u>\$7,025,590</u></u>	<u><u>\$2,471,136</u></u>	<u><u>\$9,496,726</u></u>
Reserve for Encumbrances, December 31	<u><u>\$61,478</u></u>	<u><u>\$318,043</u></u>	<u><u>\$379,521</u></u>

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Perrysburg Township (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides road and bridge maintenance, garbage collection, street lighting, fire protection, police protection, emergency medical services, and ambulance 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 and U.S. Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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.

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

EMS Fund - This fund receives property tax money to pay for Township ambulance and emergency medical services.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

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 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

	2001	2000
Demand deposits	\$5,588,827	\$755,946
Certificates of deposit	3,349,947	6,809,130
Total deposits	8,938,774	7,565,076
U.S. Treasury Notes	1,054,399	1,000,571
STAR Ohio	973,148	931,079
Total investments	2,027,547	1,931,650
Total deposits and investments	\$10,966,321	\$9,496,726

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

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$1,382,885	\$2,763,472	\$1,380,587
Special Revenue	6,256,636	4,727,847	(1,528,789)
Total	\$7,639,521	\$7,491,319	(\$148,202)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$11,763,280	\$2,085,818	\$9,677,462
Special Revenue	5,736,973	4,581,377	1,155,596
Total	\$17,500,253	\$6,667,195	\$10,833,058

2000 Budgeted vs. Actual Receipts

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$1,134,331	\$4,737,056	\$3,602,725
Special Revenue	4,883,002	5,204,591	321,589
Total	\$6,017,333	\$9,941,647	\$3,924,314

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$12,364,865	\$9,923,170	\$2,441,695
Special Revenue	6,021,499	4,497,130	1,524,369
Total	\$18,386,364	\$14,420,300	\$3,966,064

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 payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of OP&F participants contributed 9% of their wages. The Township contributed an amount equal to 16.7% of their wages to OP&F. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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

7. LOAN TO TRANSPORTATION IMPROVEMENT DISTRICT

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

In September 2000, the Township purchased a \$1,286,850 water and sewer bond from the District. The proceeds were used by the District to pay the aforementioned note held by the Township in the amount of \$1,286,850. The bond bears interest at 7%, and is payable as tap-in fees are collected. As of December 31, 2001, no tap-in fees have been collected.

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5%, is payable over 20 years, and is secured by special assessments on property owners in the project area. In June of 2000, the District levied assessments of \$6.5 million to repay this debt. As of December 31, 2001, the District has not made all scheduled interest and principal payments due on this bond.

8. LOAN TO THE ROSSFORD ARENA AMPHITHEATER AUTHORITY

In June 1999, the Township loaned the Rossford Arena Amphitheater Authority (the Authority) \$5 million, at 8%, to help finance construction of the arena and amphitheater. The loan was due June 1, 2000. The Authority was unable to obtain financing to repay the loan. Due to lack of additional financing, construction on the arena and amphitheater ceased in November 1999. These facilities are substantially incomplete. It is uncertain when or if construction will resume or if the Authority will be able to repay this loan.

9. RELATED PARTIES

Township Trustee William Miller owned property in the "Crossroads of America" development. Mr. Miller was also a co-holder of a \$200,000 note receivable from the Rossford Transportation Improvement District in 2000.

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

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

To the Board of Trustees:

We have audited the accompanying financial statements of Perrysburg Township (the Township) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 18, 2002. 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-40187-001.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 management of the Township in a separate letter dated June 18, 2002.

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

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

June 18, 2002

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-40187-001

Noncompliance Citation

Provisions of the Ohio Revised Code address the circumstances in which a public official or employee is prohibited from using the authority or influence of his office or employment to secure anything of value that substantially and improperly influences the official or employee in the exercise of his duties, and from having an interest in a public contract.

Ohio Revised Code § 102.03(D) provides that no public official or employee shall use the authority or influence of his office or employment to secure anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties.

Ohio Revised Code § 2921.42(A)(4) provides that a public official may not knowingly "[h]ave an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which he is connected."

Township Trustee William Miller and other immediate family members owned property within the "Crossroads of America" development. Mr. Miller was also a co-holder of a \$200,000 note with the Rossford Transportation Improvement District.

During the prior audit period, Mr. Miller voted on some measurers which involved the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority, Rossford Arena Amphitheater Authority, and improvements to the area which were provided by Perrysburg Township. Each of the aforementioned entities is a critical member of the "Crossroads of America" development. Mr. Millers voting on such issues could be a potential conflict of interest.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEARS ENDED DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-40187-001	Trustee William Miller and other family members had interests in the profits or benefits of a public contract entered into by or for the use of the Township.	No	Not corrected. This issue was forwarded to the Wood County Prosecutor at the conclusion of prior audit. Repeated as finding number 2001-40187-001



STATE OF OHIO
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PERRYSBURG TOWNSHIP

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 15, 2002**