



Mary Taylor, CPA
Auditor of State

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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Mary Taylor, CPA
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

May 10, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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, Wood County, (the Township) as of and for the years ended December 31, 2009 and 2008. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State

One Government Center / Suite 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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 Perrysburg Township, Wood County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2 to the financial statements, the Township reclassified two special revenue funds to agency funds in 2008.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

May 10, 2010

**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, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$472,343	\$3,967,045	\$4,439,388
Charges for Services		289,464	289,464
Licenses, Permits, and Fees	140,911		140,911
Fines and Forfeitures	16,541	2,811	19,352
Intergovernmental	674,461	1,986,233	2,660,694
Special Assessments		65,576	65,576
Earnings on Investments	587,219	84,815	672,034
Miscellaneous	55,087	78,596	133,683
	<u>1,946,562</u>	<u>6,474,540</u>	<u>8,421,102</u>
Cash Disbursements:			
Current:			
General Government	1,094,604		1,094,604
Public Safety	14,519	5,585,994	5,600,513
Public Works		1,219,636	1,219,636
Health	33,170		33,170
Conservation - Recreation	13,807		13,807
Capital Outlay	2,622,913	658,606	3,281,519
	<u>3,779,013</u>	<u>7,464,236</u>	<u>11,243,249</u>
Total Receipts Under Disbursements	<u>(1,832,451)</u>	<u>(989,696)</u>	<u>(2,822,147)</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets	370	142,384	142,754
Transfers-In		716,000	716,000
Transfers-Out	(716,000)		(716,000)
	<u>(715,630)</u>	<u>858,384</u>	<u>142,754</u>
Excess of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	(2,548,081)	(131,312)	(2,679,393)
Fund Cash Balances, January 1	<u>12,054,319</u>	<u>5,850,692</u>	<u>17,905,011</u>
Fund Cash Balances, December 31	<u>\$9,506,238</u>	<u>\$5,719,380</u>	<u>\$15,225,618</u>
Reserve for Encumbrances, December 31	<u>\$57,114</u>	<u>\$381,821</u>	<u>\$438,935</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 - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Agency</u>
Operating Cash Receipts:	
Miscellaneous	\$86,065
Operating Cash Disbursements:	
Other	<u>99,526</u>
Operating Loss	(13,461)
Fund Cash Balances, January 1	<u>23,161</u>
Fund Cash Balances, December 31	<u><u>\$9,700</u></u>
Reserve for Encumbrances, December 31	<u><u>\$5,590</u></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, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Other Local Taxes	\$537,661	\$4,151,370	\$4,689,031
Charges for Services		304,283	304,283
Licenses, Permits, and Fees	177,868		177,868
Fines and Forfeitures	16,047	10,325	26,372
Intergovernmental	1,498,170	1,565,034	3,063,204
Special Assessments		58,800	58,800
Earnings on Investments	1,167,212	54,267	1,221,479
Miscellaneous	169,402	63,034	232,436
	<u>3,566,360</u>	<u>6,207,113</u>	<u>9,773,473</u>
Cash Disbursements:			
Current:			
General Government	1,062,107		1,062,107
Public Safety	25,963	5,516,482	5,542,445
Public Works		903,575	903,575
Health	35,011		35,011
Conservation - Recreation	28,734		28,734
Capital Outlay	3,414,367	523,150	3,937,517
	<u>4,566,182</u>	<u>6,943,207</u>	<u>11,509,389</u>
Total Receipts Under Disbursements	<u>(999,822)</u>	<u>(736,094)</u>	<u>(1,735,916)</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets	2,233	70,075	72,308
Transfers-In		1,343,000	1,343,000
Transfers-Out	(1,343,000)		(1,343,000)
	<u>(1,340,767)</u>	<u>1,413,075</u>	<u>72,308</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(2,340,589)	676,981	(1,663,608)
Fund Cash Balances, January 1	<u>14,394,908</u>	<u>5,173,711</u>	<u>19,568,619</u>
Fund Cash Balances, December 31	<u>\$12,054,319</u>	<u>\$5,850,692</u>	<u>\$17,905,011</u>
Reserve for Encumbrances, December 31	<u>\$727,686</u>	<u>\$400,446</u>	<u>\$1,128,132</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 - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Agency</u>
Operating Cash Receipts:	
Miscellaneous	\$33,660
Operating Cash Disbursements:	
Other	<u>35,336</u>
Operating Loss	(1,676)
Fund Cash Balances, January 1	<u>24,837</u>
Fund Cash Balances, December 31	<u><u>\$23,161</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, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Perrysburg Township, Wood County, (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, street lighting, police protection, fire protection and emergency medical services

The Township participates in five jointly governed organizations and the Ohio Government Risk Management Plan, a public entity risk pool. Note 7 to the financial statements provides additional information for the public entity risk pool. These organizations are:

Jointly Governed Organizations:

Northern Wood County Port Authority: In December 1998, the Northern Wood County Port Authority was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The Northern Wood County Port Authority was created for the benefit of the people of the State of Ohio. The Trustees appoint two of the five board members.

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

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

New Belleville Ridge Joint Cemetery:
The Township appoints two of the Board members and contributes to the financing of the Cemetery

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

Public Entity Risk Pool:
This organization is an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments.

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

The Township values United States Agency issues at cost. Investments in money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

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

3. Fiduciary Funds

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fire Insurance Trust Fund – This fund receives insurance claim monies for fire damaged homes, and is held and then released to the home owner when the properties are cleaned up.

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

Zoning Professional Fees - This fund receives fees collected from builders for site plan reviews by outside engineering firms.

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 2009 and 2008 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accumulated Leave

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

2. RESTATEMENT OF FUNDS

In 2008, the Township reclassified two special revenue funds as agency funds as it was determined it was a more appropriate presentation. The effect on the fund balances as previously stated is as follows:

	Special Revenue	Agency
Fund Balance as reported at December 31, 2007	\$5,198,548	
Reclassification of funds considered to be Agency	(24,837)	\$24,837
Restated Fund Balances at January 1, 2008	\$5,173,711	\$24,837

3. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2009	2008
Demand deposits	\$3,521,041	\$6,267,349
Certificates of deposit	2,954,865	4,110,642
Money market	532	2,383,166
Total deposits	6,476,438	12,761,157
Federal Home Loan Mortgage Corp.	3,253,857	752,750
Federal Farm Credit Bank	1,502,300	200,200
Federal Home Loan Bank	4,002,723	2,706,005
Federal National Mortgage Association		1,508,060
Total investments	8,758,880	5,167,015
Total deposits and investments	\$15,235,318	\$17,928,172

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

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,384,479	\$1,946,932	(\$1,437,547)
Special Revenue	7,191,428	7,332,924	141,496
Fiduciary	52,000	86,065	34,065
Total	\$10,627,907	\$9,365,921	(\$1,261,986)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,722,716	\$4,552,127	\$2,170,589
Special Revenue	9,592,719	7,846,057	1,746,662
Fiduciary	52,000	105,116	(53,116)
Total	\$16,367,435	\$12,503,300	\$3,864,135

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,752,731	\$3,568,593	\$815,862
Special Revenue	8,651,180	7,620,188	(1,030,992)
Fiduciary	66,000	33,660	(32,340)
Total	\$11,469,911	\$11,222,441	(\$247,470)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,058,213	\$6,636,868	\$3,421,345
Special Revenue	8,717,001	7,343,653	1,373,348
Fiduciary	56,142	35,336	20,806
Total	\$18,831,356	\$14,015,857	\$4,815,499

Contrary to Ohio law, appropriations exceeded estimated resources in the Road and Bridge Fund by \$402,760 in 2009 and the Marine Patrol Fund by \$5,536 in 2008.

Also contrary to Ohio law, not all disbursements received prior certification by the Fiscal Officer.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. PROPERTY TAX

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

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

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. The Township contributed an amount equal to 24% of their wages to OP&F. For 2009 and 2008, police officers contributed 10.1% of their wages and the Township contributed an amount equal to 17.4% of their wages. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

7. RISK MANAGEMENT (Continued)

responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Township does participate in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Township does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2008 and 2007 (the latest information available), and include amounts for both OPRRM and OPHC:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members’ Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

8. 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 \$1,286,850 water and sewer bonds from the District.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

8. LOAN TO TRANSPORTATION IMPROVEMENT DISTRICT (CONTINUED)

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 bear interest at 7 percent, and is payable as tap-in fees are collected. As of December 31, 2009, no tap-in fees have been collected by the Township.

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5 percent, is payable over 20 years, and is secured by special assessments on property owners in the project area. In June of 2000, the District levied assessments of \$6.8 million to repay this debt. As of December 31, 2009, assessments of \$4,431,372 have been collected by the Township.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the Perrysburg Township, Wood County, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 10, 2010, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township had reclassified two special revenue funds to agency funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above

One Government Center / Suite 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 10, 2010.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the Township. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 10, 2010

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2009-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D)(1), states no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, each of which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- 1) **"Then and Now" Certificate** – If the fiscal officer can certify both at the time the contract or order was made ("then"), and at the time the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of an appropriate fund free from any previous encumbrance, the Board can authorize the drawing of a warrant for the payment of the amount due. The Board has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Board.

- 2) **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- 3) **Super Blanket Certificate** – The Board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Thirty-five percent of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Board followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Certification is not only required by Ohio law, but it is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of Township funds being over expended or exceeding budgetary spending limitations as set by the Board. To improve controls over disbursements, we recommend all Township disbursements receive prior certification of the Fiscal Officer. When that is not possible, a Then and Now Certificate should be executed.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Revised Code § 5705.39 states the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission, or in case of appeal, by the board of tax appeals. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as “estimated resources” because it includes unencumbered fund balances.

In 2009, the Road and Bridge Fund’s appropriations exceeded estimated revenues by \$402,760. In 2008, the Marine Patrol Fund’s appropriations exceeded estimated revenues by \$5,536.

Allowing appropriations to remain higher than estimated resources increases the possibility appropriations may be unrealistically inflated which could result in deficit spending. Estimated resources should have been reduced to the level of the actual resources available for appropriation.

Management officials should monitor estimated resources and appropriations throughout the year and make the necessary modifications, with approval of the Trustees, to avoid appropriations exceeding estimated resources to avoid overspending.

Officials’ Response:

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



Mary Taylor, CPA
Auditor of State

PERRYSBURG TOWNSHIP

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 27, 2010**