



Dave Yost • Auditor of State

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Perrysburg Township, Wood County, Ohio (the Township) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than

accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Perrysburg Township, Wood County, Ohio as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

November 27, 2018

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, 2017

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$438,824	\$6,631,862		\$7,070,686
Charges for Services		373,082		373,082
Licenses, Permits and Fees	204,229			204,229
Fines and Forfeitures	10,609	45,774		56,383
Intergovernmental	566,481	787,484		1,353,965
Special Assessments		82,118		82,118
Earnings on Investments	314,847	4,517		319,364
Miscellaneous	59,057	263,237		322,294
<i>Total Cash Receipts</i>	<u>1,594,047</u>	<u>8,188,074</u>		<u>9,782,121</u>
Cash Disbursements				
Current:				
General Government	1,045,492			1,045,492
Public Safety	25,805	6,045,265		6,071,070
Public Works		775,705		775,705
Health	30,475			30,475
Conservation-Recreation	14,520			14,520
Capital Outlay		602,949	\$33,030	635,979
Debt Service:				
Principal Retirement			23,050	23,050
<i>Total Cash Disbursements</i>	<u>1,116,292</u>	<u>7,423,919</u>	<u>56,080</u>	<u>8,596,291</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>477,755</u>	<u>764,155</u>	<u>(56,080)</u>	<u>1,185,830</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			89,351	89,351
Transfers In		1,000,000	25,000	1,025,000
Transfers Out	(1,025,000)			(1,025,000)
Advances In	161,538			161,538
Advances Out		(161,538)		(161,538)
Other Financing Sources	222,686	23,727		246,413
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(640,776)</u>	<u>862,189</u>	<u>114,351</u>	<u>335,764</u>
<i>Net Change in Fund Cash Balances</i>	<u>(163,021)</u>	<u>1,626,344</u>	<u>58,271</u>	<u>1,521,594</u>
<i>Fund Cash Balances, January 1</i>	<u>8,604,880</u>	<u>5,382,757</u>	<u>13,475</u>	<u>14,001,112</u>
Fund Cash Balances, December 31				
Restricted		7,009,101		7,009,101
Committed			71,746	71,746
Assigned	5,763,610			5,763,610
Unassigned	2,678,249			2,678,249
<i>Fund Cash Balances, December 31</i>	<u>\$8,441,859</u>	<u>\$7,009,101</u>	<u>\$71,746</u>	<u>\$15,522,706</u>

See accompanying notes to the basic financial statements

Perrysburg Township
Wood County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Fiduciary Fund Type
For the Year Ended December 31, 2017

	Fiduciary Fund Type
	Agency
Operating Cash Receipts	
Zoning Professional Fees	\$4,111
Employee Cost Share Health Insurance	111,063
Seized Monies	21,775
	136,949
<i>Total Operating Cash Receipts</i>	<i>136,949</i>
Operating Cash Disbursements	
Other	122,032
	122,032
<i>Net Change in Fund Cash Balances</i>	<i>14,917</i>
<i>Fund Cash Balances, January 1</i>	<i>36,877</i>
	36,877
<i>Fund Cash Balances, December 31</i>	<i>\$51,794</i>
	\$51,794
<i>See accompanying notes to the basic financial statements</i>	

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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 receipts, disbursements and change in fund balances (regulatory cash basis) for the fiduciary fund type which are 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 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.

Fire/EMS District Fund This fund receives property tax money to pay for fire/EMS protection.

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:

Issue II Fund – The Township received a loan from the State of Ohio for roadway resurfacing.

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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(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 agency funds account for employee cost share health insurance, zoning professional fees, and seized monies.

Basis of Accounting

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

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

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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,259,657	\$1,978,271	\$718,614
Special Revenue	8,398,505	9,211,801	813,296
Capital Projects	58,030	114,351	56,321
Fiduciary	200,000	136,949	(63,051)
Total	\$9,916,192	\$11,441,372	\$1,525,180

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,879,149	\$2,185,634	\$693,515
Special Revenue	9,712,577	8,590,685	1,121,892
Capital Projects	58,030	56,080	1,950
Fiduciary	173,100	129,555	43,545
Total	\$12,822,856	\$10,961,954	\$1,860,902

Note 4 – 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:

	2017
Demand deposits	\$489,384
Certificates of deposit	928,998
Other time deposits (savings and NOW accounts)	6,901,716
Total deposits	8,320,098
U.S. Treasury Notes	2,796,027
Federal Home Loan Mortgage Corporation	1,002,225
Federal Farm Credit Bank	200,000
Federal Home Loan Bank	1,749,465
Federal National Mortgage Association	1,506,685
Total investments	7,254,402
Total deposits and investments	\$15,574,500

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS).

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 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

Note 6 – Interfund Transactions

During 2017, the General Fund transferred \$1,000,000 to the Road and Bridge Fund for road paving and \$25,000 to the Capital Projects Fund for debt payments. During 2017, the Road and Bridge Fund advanced \$161,538 to the General Fund towards repayment of a prior year advance.

Outstanding advances at December 31, 2017, consisted of \$100,950 advanced to the Police Special Levy Fund to pay for a police cruiser and to pay the HSA medical account.

Note 7 – Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

	2017
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$39,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2017 Contributions to OTARMA</u>
\$89,207

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 healthcare 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, 2017.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the 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 healthcare and survivor and disability benefits.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

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, 2017.

Social Security

Some of the Township's 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, 2017.

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 1.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2017, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #CE40R	\$172,908	0%
Ohio Public Works Commission Loan #CE43Q	253,513	0%
Total	\$426,421	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland & Windford road improvements.

The Ohio Public Works Commission (OPWC) loan #CE43Q relates to the 2013 resurfacing of Five Point, White & Reitz project.

Amortization

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

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2018	\$9,346	\$13,703
2019	9,346	13,703
2020	9,347	13,704
2021	9,346	13,703
2022	9,347	13,704
2023-2027	46,732	68,517
2028-2032	46,732	68,517
2033-2036	32,712	47,962
Total	\$172,908	\$253,513

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 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.

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.

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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2017
(Continued)

Note 13 – Loan to Transportation 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 \$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 mature December 1, 2015. The bonds bear 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, 2017, 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. As of December 31, 2017, \$2,370,103 of the principal has been collected by the Township and all interest payments are current.

Note 14 – Agreement with Eckel Trace Development, Ltd.

On August 12, 2015, an Agreement was entered into between the Township and Eckel Trace Development, Ltd. (Developer).

The Township paid for the construction of the Carronade Drive Extension (Extension). Developer's obligation for the cost of the construction of the Extension by the Township will not exceed \$300,000. Assessments will be paid by the Developer in twenty (20) semi-annual payments beginning in January 2018. Developer agrees to pay the sum of \$23,077, plus accrued interest, to the Township upon the initial sale of each of the thirteen (13) lots abutting the Extension from Developer in order to pay down the amount owed on the assessment. Developer agrees that Township shall have a lien on each lot for the payment of said amount.

As of December 31, 2017, the entire \$300,000 plus interest had been collected by the Township.

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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, 2016

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$452,905	\$5,863,144		\$6,316,049
Charges for Services		295,344		295,344
Licenses, Permits and Fees	183,257			183,257
Fines and Forfeitures	11,767	86,197		97,964
Intergovernmental	466,386	759,133	\$250,000	1,475,519
Special Assessments		83,479		83,479
Earnings on Investments	313,830	4,687		318,517
Miscellaneous	46,403	180,437		226,840
<i>Total Cash Receipts</i>	<u>1,474,548</u>	<u>7,272,421</u>	<u>250,000</u>	<u>8,996,969</u>
Cash Disbursements				
Current:				
General Government	1,017,573			1,017,573
Public Safety	23,288	5,753,259		5,776,547
Public Works		803,717		803,717
Health	30,032			30,032
Conservation-Recreation	10,663			10,663
Capital Outlay		1,259,634	18,400	1,278,034
Debt Service:				
Principal Retirement			11,525	11,525
<i>Total Cash Disbursements</i>	<u>1,081,556</u>	<u>7,816,610</u>	<u>29,925</u>	<u>8,928,091</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>392,992</u>	<u>(544,189)</u>	<u>220,075</u>	<u>68,878</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets			18,400	18,400
Transfers In		55,000	25,000	80,000
Transfers Out	(80,000)			(80,000)
Advances In	115,713	100,950		216,663
Advances Out	(100,950)	(115,713)		(216,663)
Other Financing Sources	323,681	7,088		330,769
<i>Total Other Financing Receipts (Disbursements)</i>	<u>258,444</u>	<u>47,325</u>	<u>43,400</u>	<u>349,169</u>
<i>Net Change in Fund Cash Balances</i>	651,436	(496,864)	263,475	418,047
<i>Fund Cash Balances, January 1</i>	<u>7,953,444</u>	<u>5,879,621</u>	<u>(250,000)</u>	<u>13,583,065</u>
Fund Cash Balances, December 31				
Restricted		5,382,757		5,382,757
Committed			13,475	13,475
Assigned	1,619,492			1,619,492
Unassigned	6,985,388			6,985,388
<i>Fund Cash Balances, December 31</i>	<u>\$8,604,880</u>	<u>\$5,382,757</u>	<u>\$13,475</u>	<u>\$14,001,112</u>

See accompanying notes to the basic financial statements

Perrysburg Township
 Wood County, Ohio
 Combined Statement of Receipts, Disbursements
 and Changes in Fund Balances (Regulatory Cash Basis)
 Fiduciary Fund Type
 For the Year Ended December 31, 2016

	Fiduciary Fund Type
	Agency
Operating Cash Receipts	
Zoning Professional Fees	\$8,056
Employee Cost Share Health Insurance	111,277
Seized Monies	33,856
<i>Total Operating Cash Receipts</i>	153,189
Operating Cash Disbursements	
Other	208,566
<i>Net Change in Fund Cash Balances</i>	(55,377)
<i>Fund Cash Balances, January 1</i>	92,254
<i>Fund Cash Balances, December 31</i>	\$36,877
<i>See accompanying notes to the basic financial statements</i>	

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016

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 receipts, disbursements and change in fund balances (regulatory cash basis) for the fiduciary fund type which are 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 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.

Fire/EMS District Fund This fund receives property tax money to pay for fire/EMS protection.

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:

Issue II Fund – The Township received a loan from the State of Ohio for roadway resurfacing.

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, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(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 agency funds account for employee cost share health insurance, zoning professional fees, and seized monies.

Basis of Accounting

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

Budgetary Process

The Ohio Revised Code requires that each fund 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 2016 budgetary activity appears in Note 3.

Deposits and Investments

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

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

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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Fund Balance

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

Nonspendable The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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

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

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$928,806	\$1,913,942	\$985,136
Special Revenue	8,034,144	7,435,459	(598,685)
Capital Projects	43,400	293,400	250,000
Fiduciary	270,000	153,189	(116,811)
Total	\$9,276,350	\$9,795,990	\$519,640

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,377,518	\$1,310,355	\$1,067,163
Special Revenue	9,368,091	8,218,058	1,150,033
Capital Projects	43,400	29,925	13,475
Fiduciary	265,662	208,566	57,096
Total	\$12,054,671	\$9,766,904	\$2,287,767

Note 4 – 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:

	2016
Demand deposits	\$139,800
Certificates of deposit	928,161
Other time deposits (savings and NOW accounts)	4,911,572
Total deposits	5,979,533
U.S. Treasury Notes	2,297,531
Federal Home Loan Mortgage Corporation	1,502,225
Federal Farm Credit Bank	502,100
Federal Home Loan Bank	1,749,915
Federal National Mortgage Association	2,006,685
Total investments	8,058,456
Total deposits and investments	\$14,037,989

Deposits

Deposits are insured by the Federal Deposit 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 by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable 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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

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

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

Note 6 – Interfund Transactions

During 2016, the General Fund transferred \$55,000 to the Police Special Levy Fund to subsidize the fund and \$25,000 to the Capital Projects Fund for OPWC loan payments. During 2016, the General Fund advanced \$100,950 to the Police Special Levy Fund to pay for a police cruiser and to pay the HSA medical account and the Road and Bridge Fund advanced \$115,713 to the General Fund towards repayment of a prior year advance.

Outstanding advances at December 31, 2016, consisted of \$161,538 advanced to the Road and Bridge fund to provide working capital for a road project.

Note 7 – Risk Management

Risk Pool Membership

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2016, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2016.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

	2016
Assets	\$38,473,283
Liabilities	8,244,140
Net Position	\$30,229,143

At December 31, 2016 the liabilities above include approximately \$7.4 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,010 member governments in the future, as of December 31, 2016. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2016, the Township's share of these unpaid claims collectible in future years is approximately \$40,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>2016 Contributions to OTARMA</u>
\$88,901

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Most 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 healthcare 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, 2016.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the 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 healthcare and survivor and disability benefits.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

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, 2016.

Social Security

Some of the Township's 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, 2016.

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 2.0 percent during calendar year 2016. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2016, was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan #CE40R	\$182,255	0%
Ohio Public Works Commission Loan #CE43Q	267,217	0%
Total	\$449,472	

The Ohio Public Works Commission (OPWC) loan #CE40R relates to Hufford, Woodland & Windford road improvements.

The Ohio Public Works Commission (OPWC) loan #CE43Q relates to the 2013 resurfacing of Five Point, White & Reitz project.

Amortization

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

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Year Ending December 31:	OPWC Loan #CE40R	OPWC Loan #CE43Q
2017	\$9,347	\$13,704
2018	9,346	13,703
2019	9,346	13,703
2020	9,347	13,704
2021	9,346	13,703
2022-2026	46,732	68,518
2027-2031	46,732	68,517
2032-2036	42,059	61,665
Total	\$182,255	\$267,217

Note 11 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 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.

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.

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.

Perrysburg Township, Ohio
Wood County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 13 – Loan to Transportation 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 \$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 mature December 1, 2015. The bonds bear 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, 2016, 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. As of December 31, 2016, \$2,147,417 of the principal has been collected by the Township and all interest payments are current.

Note 14 – Loan to Fort Meigs Union Cemetery

In June 2013, the Township loaned Fort Meigs Union Cemetery \$190,000. The basic terms and conditions are: the principal sum of \$190,000 plus interest at the fixed rate of 2.5% per annum, in 60 consecutive monthly payments, each in the amount of \$3,372. The first payment was due on July 17, 2013 with each monthly payment due on or before the 17th of the month. As of December 31, 2016, \$190,000 of the principal has been collected by the Township and the loan was paid off in July 2016.

Note 15 – Agreement with Eckel Trace Development, Ltd.

On August 12, 2015, an Agreement was entered into between the Township and Eckel Trace Development, Ltd. (Developer).

The Township paid for the construction of the Carronade Drive Extension (Extension). Developer's obligation for the cost of the construction of the Extension by the Township will not exceed \$300,000. Assessments will be paid by the Developer in twenty (20) semi-annual payments beginning in January 2018. Developer agrees to pay the sum of \$23,077, plus accrued interest, to the Township upon the initial sale of each of the thirteen (13) lots abutting the Extension from Developer in order to pay down the amount owed on the assessment. Developer agrees that Township shall have a lien on each lot for the payment of said amount.

As of December 31, 2016, \$138,462 plus interest had been collected by the Township.

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Dave Yost • Auditor of State

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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Perrysburg Township, Wood County, Ohio (the Township) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated November 27, 2018 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2017-001 and 2017-002 to be material weaknesses.

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

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statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2017-002.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

November 27, 2018

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2017-001

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. In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 (codified as GASB Cod 1800.165-.179) requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. The following adjustments are included in the accompanying 2017 and 2016 financial statements:

- In 2017 and 2016, seized monies were improperly classified as employee health insurance cost share revenues in the Agency Funds in the amounts of \$21,765 and \$33,851, respectively.
- In 2017 and 2016, principal payments were improperly classified as public works expenditures in the Capital Projects Funds in the amounts of \$23,050 and \$11,525, respectively.
- In 2017 and 2016, capital outlay expenditures were improperly classified as public safety and public works expenditures in the Special Revenue Funds in the amounts of \$635,979 and \$1,278,034, respectively.
- In 2017 and 2016, debt repayments were improperly classified as Miscellaneous Revenues instead of Other Financing Sources in the General Fund in the amounts of \$222,686 and \$323,681, respectively.
- In 2017, revenue and advance transaction activity related to the Eckel Trace – Carronade Drive Extension project was posted incorrectly in the General and Special Revenue Funds in amounts ranging from \$951 to \$23,727.
- In 2017 and 2016, \$5,763,610 and \$1,619,492, respectively, of the General Fund Balance were improperly classified as unassigned instead of assigned.
- In 2017 and 2016, the Capital Projects Fund Balance was improperly classified as restricted instead of committed in the amounts of \$15,425 and \$13,475, 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 Board making misinformed decisions. Additional audit adjustments were made in smaller relative amounts for additional reasons. The accompanying financial statements, notes to the financial statements, and accounting records have been adjusted to correct these errors.

To help ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board, to identify and correct errors and omissions. The Fiscal Officer should also review the Township Handbook and Audit Bulletin 2011-004 for information on GASB Statement No. 54. The Board should also review the Township's statements to help ensure all transactions are being properly posted to the financial statements.

FINDING NUMBER 2017-002

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(F) requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines "permanent improvement" or "improvement" to mean any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.

In 2017, the Township inappropriately recorded \$56,321 from the sale of land in the General Fund as sale of capital assets. In addition, the Township recorded \$25,438, \$900, and \$6,692 from the sale of vehicles and other assets in the Road and Bridge Fund, Fire Special Levy Fund, and Police Special Levy Special Revenue Funds as sale of capital assets.

In 2016, the Township inappropriately recorded \$18,400 from the sale of vehicles in the Police Special Levy Fund as sale of capital assets.

A majority of the proceeds of these sales were used to purchase a replacement asset. Given the source of the revenue, these proceeds and related disbursement amounts should have been recorded in the Capital Project 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 ensure all transactions are reviewed and posted to the proper funds. In addition, proceeds should be posted at the gross amount with a memo expense for any expenses related to the sale of the asset.

Officials' Response:

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



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TRUSTEES
Gary Britten
Robert Mack
Joe Schaller

FISCAL OFFICER
Shirley A. Haar

ADMINISTRATOR
Walter J. Celley

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Material weakness and noncompliance over Ohio Rev. Code § 5705.10(D) for posting of revenue to the wrong fund.	Fully corrected.	
2015-002	Material weakness over financial reporting due to lack of monitoring township financial activity resulting in material audit adjustments. This finding was first reported in the 2011-2010 audit.	Not corrected and repeated as finding 2017-001 in this report.	The Fiscal Officer was unaware of the errors and will review the proper procedures and make corrections in the future.

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Dave Yost • 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
DECEMBER 13, 2018**