



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 and related notes of Perrysburg Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012.

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 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 opinion.

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

As described in Note 1B 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, to satisfy requirements.

One Government Center, Suite 1420, Toledo, Ohio 43604-2246
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484

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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or 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 combined cash balances of Perrysburg Township, Wood County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements 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 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2014, 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

May 29, 2014

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$493,172	\$5,309,441	\$5,802,613
Charges for Services		448,636	448,636
Licenses, Permits and Fees	181,450		181,450
Fines and Forfeitures	15,523	190,075	205,598
Intergovernmental	427,588	1,600,223	2,027,811
Special Assessments		88,734	88,734
Earnings on Investments	350,362	17,030	367,392
Miscellaneous	62,222	103,618	165,840
<i>Total Cash Receipts</i>	<u>1,530,317</u>	<u>7,757,757</u>	<u>9,288,074</u>
Cash Disbursements			
Current:			
General Government	1,035,557		1,035,557
Public Safety	34,228	6,155,847	6,190,075
Public Works		1,239,635	1,239,635
Health	30,801		30,801
Conservation-Recreation	26,278		26,278
Capital Outlay		488,589	488,589
<i>Total Cash Disbursements</i>	<u>1,126,864</u>	<u>7,884,071</u>	<u>9,010,935</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>403,453</u>	<u>(126,314)</u>	<u>277,139</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	183	38,803	38,986
Transfers In		1,200,000	1,200,000
Transfers Out	(1,203,282)		(1,203,282)
Other Financing Sources	203,407	244	203,651
Other Financing Uses	(190,000)		(190,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,189,692)</u>	<u>1,239,047</u>	<u>49,355</u>
<i>Net Change in Fund Cash Balances</i>	<u>(786,239)</u>	<u>1,112,733</u>	<u>326,494</u>
<i>Fund Cash Balances, January 1</i>	<u>9,416,527</u>	<u>4,254,159</u>	<u>13,670,686</u>
Fund Cash Balances, December 31			
Restricted		5,366,892	5,366,892
Assigned	43,835		43,835
Unassigned	8,586,453		8,586,453
<i>Fund Cash Balances, December 31</i>	<u><u>\$8,630,288</u></u>	<u><u>\$5,366,892</u></u>	<u><u>\$13,997,180</u></u>

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$5,693
Employee Cost Share Health Insurance	134,568
Swat Revenues	18,475
Fire Insurance Collections	14,720
Seized Monies	48,702
	222,158
Operating Cash Disbursements	
Other Operating Cash Disbursements	234,537
	(12,379)
<i>Operating Loss</i>	
Transfers In	3,282
	(9,097)
<i>Net Change in Fund Cash Balances</i>	
<i>Fund Cash Balances, January 1</i>	118,599
	\$109,502
<i>Fund Cash Balances, December 31</i>	\$109,502

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$479,817	\$3,698,515	\$4,178,332
Charges for Services		368,015	368,015
Licenses, Permits and Fees	166,821		166,821
Fines and Forfeitures	20,112	82,833	102,945
Intergovernmental	382,600	1,483,555	1,866,155
Special Assessments		77,331	77,331
Earnings on Investments	356,670	20,658	377,328
Miscellaneous	19,713	71,874	91,587
<i>Total Cash Receipts</i>	<u>1,425,733</u>	<u>5,802,781</u>	<u>7,228,514</u>
Cash Disbursements			
Current:			
General Government	1,057,632		1,057,632
Public Safety	18,412	5,962,665	5,981,077
Public Works		1,182,222	1,182,222
Health	28,829		28,829
Conservation-Recreation	14,747		14,747
Capital Outlay	148,402	596,964	745,366
<i>Total Cash Disbursements</i>	<u>1,268,022</u>	<u>7,741,851</u>	<u>9,009,873</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>157,711</u>	<u>(1,939,070)</u>	<u>(1,781,359)</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	381	63,346	63,727
Transfers In		784,000	784,000
Transfers Out	(784,000)		(784,000)
Other Financing Sources	206,082	26,377	232,459
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(577,537)</u>	<u>873,723</u>	<u>296,186</u>
<i>Net Change in Fund Cash Balances</i>	<u>(419,826)</u>	<u>(1,065,347)</u>	<u>(1,485,173)</u>
<i>Fund Cash Balances, January 1</i>	<u>9,836,353</u>	<u>5,319,506</u>	<u>15,155,859</u>
Fund Cash Balances, December 31			
Restricted		4,254,159	4,254,159
Assigned	28,491		28,491
Unassigned	9,388,036		9,388,036
<i>Fund Cash Balances, December 31</i>	<u>\$9,416,527</u>	<u>\$4,254,159</u>	<u>\$13,670,686</u>

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

PERRYSBURG TOWNSHIP
WOOD COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts	
Zoning Professional Fees	\$18,868
Employee Cost Share Health Insurance	135,576
Seized Monies	<u>121,134</u>
<i>Total Operating Cash Receipts</i>	<u>275,578</u>
Operating Cash Disbursements	
Other Operating Cash Disbursements	<u>214,842</u>
<i>Operating Income</i>	60,736
<i>Fund Cash Balances, January 1</i>	<u>57,863</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$118,599</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, 2013 AND 2012**

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 the 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, fire protection and emergency medical services.

The Township participates in five jointly governed organizations. These organizations are:

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 appoint two of the five board members. After July 2010 the board was expanded to seven, and when the Township appointees' terms expire the Township will only appoint one.

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.

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, 2013 AND 2012
(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 U.S. Treasury Notes and United States Agency bonds and notes at cost. Money market mutual funds 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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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.

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, 2013 AND 2012
(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 had the following significant Agency Funds:

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

Police Seized Money Fund - This fund receives money seized in drug busts before it gets distributed to the proper location. This money is either awarded to the Township or returned back to whom it was seized from. This is all done by court action.

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. 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 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 2013 and 2012 budgetary activity appears in Note 3.

F. 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:

1. Nonspendable

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

2. 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.

3. 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.

4. 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.

5. 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.

G. 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.

H. 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
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. 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:

	2013	2012
Demand deposits	\$3,076,075	\$726,314
Certificates of deposit	920,973	1,168,167
Other time deposits (savings and NOW accounts)	30,719	1,770,132
Total deposits	4,027,767	3,664,613
U.S. Treasury Notes	149,577	391,574
Federal Home Loan Mortgage Corporation	3,838,834	2,254,951
Federal Farm Credit Bank	1,550,184	2,050,045
Federal Home Loan Bank	652,531	915,969
Federal National Mortgage Association	3,887,789	4,512,133
Total investments	10,078,915	10,124,672
Total deposits and investments	\$14,106,682	\$13,789,285

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

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,241,596	\$1,733,907	\$492,311
Special Revenue	8,625,085	8,996,804	371,719
Fiduciary	266,500	225,440	(41,060)
Total	\$10,133,181	\$10,956,151	\$822,970

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. Budgetary Activity (Continued)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,893,006	\$2,563,981	\$329,025
Special Revenue	8,873,157	8,162,832	710,325
Fiduciary	327,900	234,537	93,363
Total	\$12,094,063	\$10,961,350	\$1,132,713

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,538,795	\$1,632,196	\$93,401
Special Revenue	6,847,114	6,676,504	(170,610)
Fiduciary	252,900	275,578	22,678
Total	\$8,638,809	\$8,584,278	(\$54,531)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,895,071	\$2,080,512	\$814,559
Special Revenue	9,562,554	8,030,346	1,532,208
Fiduciary	185,870	214,842	(28,972)
Total	\$12,643,495	\$10,325,700	\$2,317,795

4. 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.

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

5. Retirement Systems

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

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

5. Retirement Systems (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OP&F participants contributed 10% of their wages until July 1, 2013 then they contributed 10.75% of their wages. For 2013 and 2012, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2013 and 2012, Law Enforcement OPERS members contributed 12.1% and 12.6%, respectively, of their gross salaries and the Township contributed an amount equaling 18.1% of participants' gross salaries. For 2013 and 2012, Local 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, 2013.

6. Risk Management

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

7. Contingent Liabilities

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

8. 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 December 31, 2013, a total of \$75,175 has been collected by the Township in interest and no principal has been collected.

In August 2000, the Township purchased a \$4,565,000 special assessment bond from the District. The bond bears interest of 8.5 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, 2013 \$1,443,274 of the principal has been collected by the Township and all the interest payments are current.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

9. Loan to Fort Meigs Union Cemetery

In June 2013, the Township loaned Fort Meigs Union Cemetery \$190,000.00. The basic terms and conditions are: the principal sum of \$190,000.00 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, 2013 \$17,950 of the principal has been collected by the Township and all the interest payments are current.

10. Subsequent Events

The Township has applied for a loan from Ohio Public Works Commission in 2014 in the amount of \$296,600 for road work.



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 Perrysburg Township, Wood County, Ohio, (the Township) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2014 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 opinion 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.

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

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 a 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. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

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, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

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 communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

May 29, 2014

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Material Weakness – Monitoring Township Financial Activity

We identified various transactions which were improperly classified as follows:

- Personal property reimbursement moneys were posted as taxes instead of intergovernmental receipts in the Special Revenue Fund in the amounts of \$729,777 and \$837,702 in 2013 and 2012, respectively.
- A promissory note to Fort Meigs Cemetery was posted as general government and advances-out instead of other financing uses in the General Fund in the amount of \$190,000 in 2012.
- Purchase of tractors, vehicles, site improvements, and fire gear were posted as public safety, public works, general government, and conservation-recreation instead of capital outlay in the General and Special Revenue Funds in the amount of \$488,589 and \$745,366 in 2013 and 2012, respectively.
- Moneys distributed from the Police Seized Funds by Court order in the amount of \$30,000 were recorded as a reduction of revenue instead of a disbursement.
- Principal repaid from the Rossford Transportation Improvement District special assessment bond was credited to earnings on investments instead of other financing sources in 2013 and 2012.

The financial statements have been adjusted to reflect these reclassifications.

Accurate financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. To 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.

Officials' Response:

We received the following response from Officials to this finding:

- A. Personal property reimbursement moneys posted as taxes: Receipts will be classified as recommended in the future.
- B. Promissory note to Ft. Meigs Cemetery: This was a single incident and is not likely to reoccur. Future promissory notes will be classified as recommended.
- C. Moneys distributed from Police Seized Funds: This was a single incident and is likely to reoccur only under rare circumstances. The court determined that the Township did not have any right to receive the funds as Township property. It was ordered to be paid over to the person who owned the funds and these funds were never owed by the Township. Any future transactions will be classified as recommended.

FINDING NUMBER 2013-001
(Continued)

- D. Principal on bond credited to earnings: Receipts were credited to earnings (interest) because they were characterized as earnings (interest) by the bond trustee. Financial statements have been adjusted and receipts will be properly classified in the future.

**PERRYSBURG TOWNSHIP
WOOD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Ohio Revised Code § 5705.41(D) for failure to certify expenditures.	Yes	
2011-002	Material weakness due to errors in financial reporting.	No	Not corrected and repeated in this report as finding 2013-001.

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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
JUNE 17, 2014**