OHIO AUDITOR OF STATE
KEITH FABER

PERRY TOWNSHIP
STARK COUNTY

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INDEPENDENT AUDITOR'S REPORT

Perry Township
Stark County
3111 Hilton Street NW
Massillon, Ohio 44645

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Perry Township, Stark County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 16 to the 2023 and 2022 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.

Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2025

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Perry Township

Stark 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, 2023

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	$73,418	$8,007,451	$8,080,869
Licenses, Permits and Fees	399,440	887,317	1,286,757
Fines, Forfeitures and Settlements	7,658	6,743	14,401
Intergovernmental	507,930	1,323,121	1,831,051
Special Assessments		23,337	23,337
Earnings on Investments	211,755	11,078	222,833
Miscellaneous	65,696	338,363	404,059
Total Cash Receipts	1,265,897	10,597,410	11,863,307
Cash Disbursements			
Current:			
General Government	1,325,044		1,325,044
Public Safety		9,640,992	9,640,992
Public Works	11,361	2,851,010	2,862,371
Conservation-Recreation	115,988		115,988
Capital Outlay	148	583,129	583,277
Debt Service:			
Principal Retirement		41,420	41,420
Total Cash Disbursements	1,452,541	13,116,551	14,569,092
Net Change in Fund Cash Balances	(186,644)	(2,519,141)	(2,705,785)
Fund Cash Balances, January 1	606,637	9,061,175	9,667,812
Fund Cash Balances, December 31	$419,993	$6,542,034	$6,962,027

See accompanying notes to the basic financial statements

Perry Township

Stark County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	Internal Service
Operating Cash Receipts	
Charges for Services	$90,000
Total Operating Cash Receipts	90,000
Operating Cash Disbursements	
Employee Fringe Benefits	7,567
Claims	86,763
Total Operating Cash Disbursements	94,330
Net Change in Fund Cash Balances	(4,330)
Fund Cash Balances, January 1	7,783
Fund Cash Balances, December 31	$3,453

See accompanying notes to the basic financial statements

Perry Township

Stark County

Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Type
For the Year Ended December 31, 2023

	Fiduciary Fund Types
	Custodial
Additions	
Other Amounts Collected for Distribution	26,266
Total Additions	26,266
Deductions	
Other Distributions	29,000
Total Deductions	29,000
Net Change in Fund Balances	(2,734)
Fund Cash Balances, January 1	29,000
Fund Cash Balances, December 31	$26,266

See accompanying notes to the basic financial statements

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Perry Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Nimishillen Township to provide fire and emergency medical services.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in a public entity risk pool Ohio Township Association Risk Management Authority (OTARMA), two joint ventures [Navarre Joint Economic Development and Local Organized Governments in Cooperation (L.O.G.I.C.)] and two jointly governed organizations [Stark County Regional Planning Commission (SCRPC) and Stark Council of Governments (SCOG)]. Note 6, 12 and 13 to the financial statement 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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for proprietary fund type which is 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:

> ***Police District Fund*** – This fund receives property tax and grant money for purpose of funding the Township's Police Department.
>
> ***Fire District Fund*** – This fund receives property tax and money for emergency services for the purpose of funding the Township's fire and emergency management departments.

Note 2 – Summary of Significant Accounting Policies *(continued)*

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

American Rescue Plan Fund-This fund receives American Rescue Plan Fund money from the Federal Government, to be used for community business and nonprofit organizations

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Insurance Medical Fund This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the Dental and Visions plans.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township had the following Custodial Fund.

Fire Loss Claims Fund The Township's custodial fund accounts for fire loss casualty claims held by the Township to be paid out to Township residents.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Note 2 – Summary of Significant Accounting Policies *(continued)*

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) 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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2023 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Leases

The Township is the lessor in a lease (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue are recognized when they are received.

Note 2 – Summary of Significant Accounting Policies *(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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.
>
> ***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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.
>
> ***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$773,178	$1,265,897	$492,719
Special Revenue	9,737,581	10,597,410	859,829
Internal Service	90,000	90,000	0
Total	$10,600,759	$11,953,307	$1,352,548

2023 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$1,716,488	$1,452,541	$263,947
Special Revenue	18,537,223	13,116,551	5,420,672
Internal Service	97,783	94,330	3,453
Total	$20,351,494	$14,663,422	$5,688,072

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2023
Cash Management Pool:	
Demand deposits	$112,056
Money Market (time and savings)	6,879,148
Total deposits	6,991,204
STAR Ohio	
Total investments	542
Total carrying amount of deposits and investments	$6,991,746

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is holding $29,224 in unremitted employee payroll withholdings.

Note 4 – Deposits and Investments *(continued)*

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Note 6 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

-General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Note 6 – Risk Management *(continued)*

Risk Pool Membership *(continued)*

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2022
Cash and investments	$32,288,098
Actuarial liabilities	$9,146,434

Note 7 - Self-Insurance

The Township is self-insured for employee vision and dental coverage. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on claims costs determined by the Township.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent for non-law enforcement and 13 percent for law enforcement of their gross salaries, and the Township contributed an amount equaling 14 percent non-law enforcement and 18.10 percent for law enforcement of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Ohio 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 health care and survivor and disability benefits.

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, 2023.

Note 8 – Defined Benefit Pension Plans *(continued)*

Social Security

The/ Part-Time Fire Fighters, Zoning Board of Appeals and Zoning Board Members of the Township 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, 2023.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 10 – Debt

Debt outstanding at December 31, 2023, was as follows:

OPWC Loan	Principal	Interest Rate	Matures	Purpose
Loan # CS08E	$8,721	0%	July 2025	West Manor Storm Sewer Project
Loan # CS05H	$55,839	0%	January 2026	West Manor Storm Sewer Project
Loan # CS09R	$7,184	0%	July 2036	Summerdale/Partridge Road Storm Sewer
Loan # CS11U	$57,011	0%	July 2039	4th Street/Pleas and Hills Storm Sewer
Loan # CS13V	175,032	0%	January 2040	4th Street/Pleas and Hills Storm Sewer
Total	$303,787			

Note 10 – Debt *(continued)*

Amortization

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

Year Ending December 31:	OPWC
2024	$41,420
2025	41,420
2026	25,892
2027	14,724
2028	14,724
2029-2033	73,619
2034-2038	72,513
2039-2040	19,475
Total	$303,787

Direct Borrowings - OPWC Loans

The OPWC loans are being paid out of the road district fund. In the event of default, as defined by the loan agreement, the amount of default will be subject to eight percent interest on all amounts due from date of default. Additionally, the lender may declare all amounts immediately due and payable or require the Township to pay the amounts. The lender will also be entitled to collect any cost incurred in the event of default.

Note 11 – 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.

Note 12 – Joint Ventures

Joint Economic Development Districts

The Township participates in the Perry - Township of Navarre Joint Economic Development District (the District) which is a statutorily created political subdivision of the State. The purpose of the District is to facilitate economic development and to preserve jobs and employment opportunities. This joint venture is considered a separate reporting entity by the Township's administration. Accordingly, the joint venture has not been included in these financial statements. Financial statements may be obtained from the Perry-Navarre Joint Economic Development District, 27 West Canal Street, Navarre, Ohio 44662.

Note 12 – Joint Ventures *(continued)*

Local Organized Governments in Cooperation

The Township participates in the Local Organized Governments in Cooperation (L.O.G.I.C.), a statutorily created political subdivision of the State formed in 1986 under Chapter 167 of the Ohio Revised Code to provide safety dispatching services. L.0.G.I.C. is a joint venture among the following entities: Perry Township, Jackson Township, Township of Beach City, Bethlehem Township, Township of Brewster, City of Canal Fulton, Township of Dalton, Township of Hills and Dales, Lawrence Township, Lexington Township, City of Massillon, Township of Navarre, Township of Waynesburg and the Township of Wilmot, with each participant providing one representative. Each representative as a membership share based on the percentage of contractual financial contributions to the total funding, and each participant is entitled to vote its percentage share. The board has total authority over the operation of L.O.G.I.C., including budgeting, appropriating, contracting, and designating management. Continued existence of L.O.G.I.C. is dependent on the Township's continued participation. L.O.G.I.C. does not provide specific financial benefits or impose specific financial burdens on the Township. Financial statements of L.O.G.I.C. may be obtained from Local Organized Governments in Cooperation, 5735 Wales Avenue NW, Massillon, Ohio, 44646.

Note 13 - Jointly Governed Organizations

A. Stark County Regional Planning Commission

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short-term social, economic, and governmental development within the region. The Commission is jointly governed among municipalities and townships located in Stark County. Each member's control over the operation of SCRPC is limited to its representation on the Board which consists of 85 members. The Board exercises total control over SCRPC operations. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3rd Street NW, Suite 201, Canton, Ohio 44702.

B. Stark Council of Governments

The Stark Council of Governments (SCOG) is a statutorily created political subdivision of Ohio for purposes of providing a permanent forum for discussion and study of concerns of the county, cities, villages and townships for development of policies and programs for implementation by one or more of the local governing bodies. SCOG is jointly governed among municipalities and townships located in Stark County. The SCOG operates under the direction of a nine-member Executive Committee, which is elected by the General Membership of the SCOG. The General Membership consists of one representative designated by each political subdivision. Complete the financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Note 14 – Public Entity Risk Pool

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA) a risk-sharing pool. For more information on OTARMA, see Note 6.

Note 15 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. The Township did not have any encumbrances at December 31, 2023.

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Township received no new COVID-19 or American Rescue Plan funding. The Township will continue to spend available American Rescue Plan funding consistent with the applicable program guidelines.

The 2023 activity includes, $2,172,202. These amounts are reflected as public safety expenditures in the applicable Special Revenue Fund on the accompanying financial statements.

Perry Township

Stark 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, 2022

	General	Special Revenue	Combined Total
Cash Receipts			
Property and Other Local Taxes	$73,189	$7,918,390	$7,991,579
Licenses, Permits and Fees	401,618	734,094	1,135,712
Fines, Forfeitures and Settlements	8,289	2,298	10,587
Intergovernmental	391,385	3,220,723	3,612,108
Special Assessments		24,232	24,232
Earnings on Investments	18,143	1,545	19,688
Miscellaneous	54,134	229,621	283,755
Total Cash Receipts	946,758	12,130,903	13,077,661
Cash Disbursements			
Current:			
General Government	1,057,919	311	1,058,230
Public Safety		7,054,258	7,054,258
Public Works	10,543	2,956,691	2,967,234
Health		153,264	153,264
Conservation-Recreation	157,651		157,651
Capital Outlay	1,054	91,951	93,005
Debt Service:			
Principal Retirement		41,420	41,420
Total Cash Disbursements	1,227,167	10,297,895	11,525,062
Net Change in Fund Cash Balances	(280,409)	1,833,008	1,552,599
Fund Cash Balances, January 1	887,046	7,228,167	8,115,213
Fund Cash Balances, December 31	$606,637	$9,061,175	$9,667,812

See accompanying notes to the basic financial statements

Perry Township

Stark County, Ohio

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2022

	Internal Service
Operating Cash Receipts	
Charges for Services	$16,000
Total Operating Cash Receipts	16,000
Operating Cash Disbursements	
Purchased Services	6,513
Claims	1,704
Total Operating Cash Disbursements	8,217
Net Change in Fund Cash Balances	7,783
Fund Cash Balances, January 1	0
Fund Cash Balances, December 31	$7,783

See accompanying notes to the basic financial statements

Perry Township

Stark County

Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2022

	Fiduciary Fund Types
	Custodial
Additions	
Other Amounts Collected for Distribution	29,000
Net Change in Fund Balances	29,000
Fund Cash Balances, January 1	0
Fund Cash Balances, December 31	$29,000

See accompanying notes to the basic financial statements

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Perry Township, Stark County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with Nimishillen Township to provide fire and emergency medical services.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in a public entity risk pool Ohio Township Association Risk Management Authority (OTARMA), a joint venture Navarre Joint Economic Development and two jointly governed organizations [Stark County Regional Planning Commission (SCRPC) and Stark Council of Governments (SCOG)]. Note 7, 12 and 13 to the financial statement 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 statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for proprietary fund type which is 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:

> ***Police District Fund*** – This fund receives property tax and grant money for purpose of funding the Township's Police Department.
>
> ***Fire District Fund*** – This fund receives property tax and money for emergency services for the purpose of funding the Township's fire and emergency management departments.

Note 2 – Summary of Significant Accounting Policies *(continued)*

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

American Rescue Plan Fund-This fund receives American Rescue Plan Fund money from the Federal Government, to be used for community business and nonprofit organizations

Internal Service Fund This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Insurance Medical Fund This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the Dental and Visions plans.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township had the following Custodial Fund.

Fire Loss Claims Fund The Township's custodial fund accounts for fire loss casualty claims held by the Township to be paid out to Township residents.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Note 2 – Summary of Significant Accounting Policies *(continued)*

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) 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. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 4.

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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Leases

The Township is the lessor in a lease (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue are recognized when they are received.

Note 2 – Summary of Significant Accounting Policies *(continued)*

Fund Balance *(continued)*

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. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 15.

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fiduciary Insurance Fund by $8,217 for the year ended December 31, 2022.

Note 4 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	$773,178	$946,758	$173,580
Special Revenue	12,611,318	12,130,903	(480,415)
Internal Service	70,000	16,000	(54,000)
Total	$13,454,496	$13,093,661	($360,835)

2022 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	$1,702,090	$1,229,862	$472,228
Special Revenue	18,323,883	10,450,378	7,873,505
Internal Service	70,000	78,217	(8,217)
Total	$20,095,973	$11,758,457	$8,337,516

Note 5 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2022
Cash Management Pool:	
Demand deposits	$604,588
Money Market (time & savings)	9,099,493
Total deposits	9,704,081
STAR Ohio	
Total investments	514
Total carrying amount of deposits and investments	$9,704,595

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township remitted all employee payroll withholdings.

Note 5 – Deposits and Investments *(continued)*

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

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

Note 6 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Note 7 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

-General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

Note 7 – Risk Management *(continued)*

Risk Pool Membership *(continued)*

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2021
Cash and investments	$34,880,599
Actuarial liabilities	$10,601,444

Self-Insurance

The Township is self-insured for employee vision and dental coverage. The Self Insurance Fund pays covered claims to service providers, and recovers these costs from charges to other funds based on claims costs determined by the Township.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Township 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent for non-law enforcement and 13 percent for law enforcement of their gross salaries, and the Township contributed an amount equaling 14 percent non-law enforcement and 18.10 percent for law enforcement of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Township's certified Fire Fighters belong to the Ohio 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 health care and survivor and disability benefits.

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, 2022.

Note 8 – Defined Benefit Pension Plans *(continued)*

Social Security

The/ Part-Time Fire Fighters, Zoning Board of Appeals and Zoning Board Members of the Township 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, 2022.

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 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 10 – Debt

Debt outstanding at December 31, 2022, was as follows:

OPWC Loan	Principal	Interest Rate	Matures	Purpose
Loan # CS08E	$13,082	0%	July 2025	West Manor Storm Sewer Project
Loan # CS05H	$78,175	0%	January 2026	West Manor Storm Sewer Project
Loan # CS09R	$7,737	0%	July 2036	Summerdale/Partridge Road Storm Sewer
Loan # CS11U	$60,573	0%	July 2039	4th Street/Pleas and Hills Storm Sewer
Loan # CS13V	185,640	0%	January 2040	4th Street/Pleas and Hills Storm Sewer
Total	$345,207			

Amortization

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

Year Ending December 31:	OPWC
2023	$41,420
2024	41,420
2025	41,420
2026	25,892
2027	14,724
2028-2032	73,620
2033-2037	73,614
2038-2040	33,097
Total	$345,207

Direct Borrowings - OPWC Loans

The OPWC loans are being paid out of the road district fund. In the event of default, as defined by the loan agreement, the amount of default will be subject to eight percent interest on all amounts due from date of default. Additionally, the lender may declare all amounts immediately due and payable or require the Township to pay the amounts. The lender will also be entitled to collect any cost incurred in the event of default.

Note 11 – 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.

Note 12 – Joint Ventures

Joint Economic Development Districts

The Township participates in the Perry – Township of Navarre Joint Economic Development District (the District) which is a statutorily created political subdivision of the State. The purpose of the District is to facilitate economic development and to preserve jobs and employment opportunities. This joint venture is considered a separate reporting entity by the Township's administration. Accordingly, the joint venture has not been included in these financial statements. Financial statements may be obtained from the Perry-Navarre Joint Economic Development District, 27 West Canal Street, Navarre, Ohio 44662.

Note 13 - Jointly Governed Organizations

A. Stark County Regional Planning Commission

The Stark County Regional Planning Commission (SCRPC) is a statutorily created political subdivision of Ohio for the purpose of formulating and renewing plans affecting long and short-term social, economic, and governmental development within the region. The Commission is jointly governed among municipalities and townships located in Stark County. Each member's control over the operation of SCRPC is limited to its representation on the Board which consists of 85 members. The Board exercises total control over SCRPC operations. Complete financial statements may be obtained from the Stark County Regional Planning Commission, 201 3rd Street NW, Suite 201, Canton, Ohio 44702.

B. Stark Council of Governments

The Stark Council of Governments (SCOG) is a statutorily created political subdivision of Ohio for purposes of providing a permanent forum for discussion and study of concerns of the county, cities, villages and townships for development of policies and programs for implementation by one or more of the local governing bodies. SCOG is jointly governed among municipalities and townships located in Stark County. The SCOG operates under the direction of a nine-member Executive Committee, which is elected by the General Membership of the SCOG. The General Membership consists of one representative designated by each political subdivision. Complete the financial statements may be obtained from the Stark Council of Governments, P.O. Box 21451, Canton, Ohio 44701-1451.

Note 14 – Public Entity Risk Pool

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA) a risk-sharing pool. For more information on OTARMA, see Note 7.

Note 15 – Fund Balances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	2,695	152,483	155,178
Total	$2,695	$152,483	$155,178

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 16 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Township received $1,479,597 in American Rescue Plan, COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Perry Township
Stark County
3111 Hilton Street NW
Massillon, Ohio 44645

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements for each governmental, proprietary and fiduciary fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements of the Perry Township, Stark County, (the Township) and have issued our report thereon dated February 17, 2025, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-001.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2025

PERRY TOWNSHIP
STARK COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022

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

1. **Ohio Rev. Code § 5705.10 - Recording in Incorrect Fund**

FINDING NUMBER – 2023-001

Noncompliance and Material Weakness
Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

During 2022:

- The Township inappropriately recorded Intergovernmental receipts and Property and Other Local Taxes in the General Fund. Given the sources of the revenues, these should have been recorded in the Special Revenue Fund between the Motor Vehicle Tax, Road & Bridge, Police District, Fire District, and Road District Funds.
- The Township inappropriately recorded Intergovernmental receipts the Police District Fund. Given the sources of the revenues, these should have been recorded in the D.A.R.E. Fund

During 2023:

- The Township inappropriately recorded Intergovernmental receipts the Police District Fund. Given the sources of the revenues, these should have been recorded in the D.A.R.E. Fund

Cash fund balances in the accounting system were adjusted as follows, in the aggregate, for the 2022 and 2023 mispostings:

- General Fund was decreased by $327,141
- Motor Vehicle Tax Fund was increased by $7,353
- Road & Bridge Fund was increased by $63,984
- Police District Fund was increased by $102,478
- Fire District Fund was increased by $98,706
- Road District Fund was increased by $38,188
- D.A.R.E Fund was increased by $16,432

The mispostings above also had an impact on the financial statements.

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 help ensure all transactions are reviewed to help ensure posting to the proper funds.

Official's Response: With the assistance of the Auditor of State Representatives, the Township has made adjustments that been listed in the Schedule of Findings to correct the mis-postings. It should be noted that the Township switched accounting systems in 2022, leading to many of the necessary adjustments

2. **Financial Reporting**

FINDING NUMBER – 2023-002

Material Weakness
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.

The following adjustments to the financial statements were noted:

2022:

The Township misposted homestead and rollback receipts, zoning fees, intergovernmental receipts, permissive sales tax receipts, self-insurance charges for services, and self-insurance purchased services. These resulted in the following financial statement adjustments:

- Overstatements of Property and Other Local Taxes in the General Fund and Special Revenue Funds of $11,626 and $607,916, respectively
- Overstatements of Miscellaneous receipts in the General Fund, Special Revenue Funds and Internal Service Fund of $55,750, $74,344 and $16,000, respectively
- An overstatement of Intergovernmental receipts in the General Fund of $264,502 and an understatement of Intergovernmental receipts in Special Revenue Funds of $1,029,955
- An overstatement of Licenses, Fees and Permits receipts in the Special Revenue funds of $20,554 and an understatement of Licenses, Fees and Permits receipts in the General Fund of $4,737
- An understatement of Charges for Services receipts in the Internal Service fund of $16,000.

2023:

The Township misposted homestead and rollback receipts, zoning fees, liquor permit fees, intergovernmental receipts, OVI task force fines, self-insurance charges for services, and self-insurance purchased services. The Township also posted ARPA receipts and expenditures in the Road and Bridget Fund, Police District Fund, and Fire District Fund while also recording this activity in the ARPA fund, resulting in duplicate receipts and expenditures being recorded. The resulted in the following financial statement adjustments:

- Overstatements of Property and Other Local Taxes in the General Fund and Special Revenue Funds of $8,545 and $633,333, respectively

- Overstatements of Miscellaneous receipts in the General Fund, Special Revenue Funds and Internal Service Funds of $73,256, $1,050,534 and $90,000, respectively
- An understatement of Charges for Services in the Internal Service Fund of $90,000
- An understatement of Fines and Forfeitures receipts in the Special Revenue Funds of $1,903
- An understatement of Licenses, Fees and Permits receipts in the General Fund of $3,170
- Understatements of Intergovernmental receipts in the General Fund and Special Revenue Funds of $78,631 and $689,964, respectively
- A $7,567 overstatement of Claims disbursements and a $7,567 understatement of Purchased Services disbursements in the Internal Service Fund
- Overstatements of Public Safety disbursements and Public Works disbursements in the Special Revenue Funds of $592,000 and $400,000, respectively

The Township did not have procedures or policies in place to ensure transactions were properly posted. The financial statements have been adjusted to reflect correction of these errors.

The Fiscal Officer should maintain the accounting system to enable the Township to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the UAN chart of accounts to help ensure that financial activity of the Township is accurately recorded and reported.

Official's Response: With the assistance of the Auditor of State Representatives, the Township has made adjustments that been listed in the Schedule of Findings to correct the mis-postings. It should be noted that the Township switched accounting systems in 2022, leading to many of the necessary adjustments

3. **Budgetary Note Misstatements**

FINDING NUMBER – 2023-003

Material Weakness
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.

Additionally, sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The approved Certificate of Estimated Resources (and/or amendments thereof) were not properly posted to the accounting system in 2022 nor 2023. Also, the following errors were noted in Note 3 & 4 of the financial statements regarding "Budgetary Activity"

2022:

- General fund and Special Revenue funds actual receipts per the budgetary note were reported at $1,273,899 and $11,803,762 rather than $946,758 and $12,130,903, respectively, which agrees to the accounting system after the posting of audit adjustments.
- General fund, Special Revenue funds, and Internal Service fund appropriation authority per the budgetary note were reported at $1,631,054, $18,052,437, and $86,000 rather than $1,702,090, $18,323,883, and 70,000, respectively, which agrees to the Appropriation Resolution plus outstanding encumbrances.
- General fund and Special Revenue funds budgetary expenditures per the budgetary note were reported at $1,257,298 and $12,302,010 rather than $1,229,862 and $10,450,378, respectively, which agrees to the accounting system after the posting of audit adjustments.

2023:

- Special Revenue funds budgeted receipts per the budgetary note were reported at $10,729,581 rather than $9,737,581, which agrees to the Amended Official Certificate of Estimated Resources.
- General fund and Special Revenue funds actual receipts per the budgetary note were reported at $1,265,898 and $11,589,410 rather than $1,265,897 and $10,597,410, respectively, which agrees to the accounting system after the posting of audit adjustments.
- General fund and Special Revenue funds appropriation authority per the budgetary note were reported at $1,713,792 and $19,344,557 rather than $1,716,488 and 18,537,223, respectively, which agrees to the Appropriation Resolution plus carryover encumbrances.
- General fund and Special Revenue funds budgetary expenditures per the budgetary note were reported at $1,452,542 and $14,108,552 rather than $1,452,541 and $13,116,551, respectively, which agrees to the accounting system after the posting of audit adjustments.

Budgetary information disclosed in the notes to the financial statements should reflect the Township's actual budgetary activity through the fiscal year. The errors were caused by a lack of management procedures or policies in place to help ensure the accurate presentation of note disclosure information and management’s failure to post the amended budgetary activity to the accounting system.

The Township's budgetary information within the Budgetary Activity note disclosures of the 2022 and 2023 of the financial statements has been corrected for the above errors.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Official's Response: With the assistance of the Auditor of State Representatives, the Township has made adjustments that been listed in the Schedule of Findings to correct the mis-postings. It should be noted that the Township switched accounting systems in 2022, leading to many of the necessary adjustments

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TOGETHER
Perry Township
WE TAKE PRIDE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2CFR 200.511 (b)

DECEMBER 31, 2023 AND 2022

Finding Number	Finding Summary	Status	Additional Information
2019-001	Finding for recovery for public money illegally expended is herby issued in the amount of $79,890 and a Finding for Recovery for public money due but has not been collected is hereby issued in the amount of $1,030,338 against Cynthia Abbot, C&C Medical Billing Owner, and in favor of Perry Township Special Revenue Fire District Fund totaling $1,110,228.	Partially Corrected	The Township no longer contracts with C&C Medical Billing. EMS billing services are now performed by a well-known and widely respected EMS billing company, however, the Finding for Recovery has not been repaid and therefore remains unresolved.

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OHIO AUDITOR OF STATE
KEITH FABER

PERRY TOWNSHIP

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/8/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370