



OHIO AUDITOR OF STATE  
**KEITH FABER**





VILLAGE OF PERRY  
LAKE COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Village of Perry  
Lake County  
3758 Center Road  
P.O. Box 100  
Perry, Ohio 44081

To the Village Council and Mayor:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Perry, Lake County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

### ***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 Village'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 Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Perry, Lake County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019, on our consideration of the Village'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 Village's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 12, 2019

**VILLAGE OF PERRY  
LAKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$68,094	\$0	\$0	\$0	\$68,094
Municipal Income Tax	\$787,412				787,412
Intergovernmental	129,789	219,686			349,475
Special Assessments		38,930			38,930
Charges for Services	21,850	89,175			111,025
Fines, Licenses and Permits	47,831	12,338			60,169
Earnings on Investments	4,775	610			5,385
Miscellaneous	40,492	4,420			44,912
<i>Total Cash Receipts</i>	<u>1,100,243</u>	<u>365,159</u>	<u>0</u>	<u>0</u>	<u>1,465,402</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons & Property	413,473	153,625			567,098
Public Health Services	15,061				15,061
Leisure Time Activities	13,924	2,957			16,881
Community Environment	6,817				6,817
Transportation	158,084	383,147			541,231
General Government	294,654	4,906			299,560
Capital Outlay	4,300				4,300
Debt Service:					
Principal Retirement			52,312		52,312
<i>Total Cash Disbursements</i>	<u>906,313</u>	<u>544,635</u>	<u>52,312</u>	<u>0</u>	<u>1,503,260</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>193,930</u>	<u>(179,476)</u>	<u>(52,312)</u>	<u>0</u>	<u>(37,858)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In		26,000	84,625		110,625
Transfers Out	(110,625)				(110,625)
OPWC Loan Proceeds		70,928			70,928
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(110,625)</u>	<u>96,928</u>	<u>84,625</u>	<u>0</u>	<u>70,928</u>
<i>Net Change in Fund Cash Balances</i>	83,305	(82,548)	32,313	0	33,070
<i>Fund Cash Balances, January 1</i>	<u>552,324</u>	<u>354,487</u>	<u>0</u>	<u>1,809</u>	<u>908,620</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		259,142	32,313	1,809	293,264
Committed		12,797			12,797
Assigned	17,261				17,261
Unassigned (Deficit)	618,368				618,368
<i>Fund Cash Balances, December 31</i>	<u>\$635,629</u>	<u>\$271,939</u>	<u>\$32,313</u>	<u>\$1,809</u>	<u>\$941,690</u>

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

**VILLAGE OF PERRY  
LAKE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Fiduciary Fund Type
	Agency
<b>Operating Cash Receipts</b>	
Fines and Costs	\$27,746
<i>Total Operating Cash Receipts</i>	<i>27,746</i>
<b>Operating Cash Disbursements</b>	
JEDD Distributions	235,935
Court Distributions	29,006
<i>Total Operating Cash Disbursements</i>	<i>264,941</i>
<i>Operating Income (Loss)</i>	<i>(237,195)</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	255,246
Other Financing Uses	(19,311)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>235,935</i>
<i>Net Change in Fund Cash Balances</i>	<i>(1,260)</i>
<i>Fund Cash Balances, January 1</i>	<i>9,013</i>
<i>Fund Cash Balances, December 31</i>	<i>\$7,753</i>

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



**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 - Reporting Entity**

The Village of Perry (the Village), Lake County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government including maintenance of roads, zoning, and police services. The Village contracts with the Lake County Sheriff's department to provide dispatching for the police department for the security of persons and property. The Village is a member of the Perry Joint Fire District to receive EMS and fire protection services.

***Jointly Governed Organizations and Public Entity Risk Pool***

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 10 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village'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 its fiduciary fund type which are organized on a fund type basis.

***Fund Accounting***

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair Fund*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Street Lighting Fund*** - This fund receives property assessment money for constructing, maintaining, repairing and operating Village street lights.

***School Resource Officer (SRO) Fund*** - This fund receives money transfer from General Fund and Perry Local School to provide two police officers in the school.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

***Debt Service Fund*** - This fund received proceeds from the financing agreement with the Perry Joint Economic Development District (JEDD) and is used to make debt payments.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Debt Service Fund – Center Road** - This fund receives money from the General Fund to make debt payments for the Center Road reconstruction improvements.

**Debt Service Fund – Property Purchase** - This fund receives money from the General Fund to make debt payments to the Perry Local School District for the purchase of property for future development and economic growth.

**Debt Service Fund – Manchester Road** - This fund receives money from the General Fund to make debt payments for the Manchester Road reconstruction improvements.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Capital Project Fund** - This fund receives transfers from the General Fund for capital projects.

**Capital Equipment Fund** - This fund receives transfers from the General Fund for capital equipment purchased by the Village.

**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 Village's own programs. The Village has no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for Mayor's Court and JEDD Income Tax. The Mayor's Court Fund holds deposits, which consist of mayor's court fines and fees. Portions of these revenues are paid to the Village's General Fund, Mayor's Court Computer Fund and the remainder is remitted to the State of Ohio and Painesville Municipal Court. The JEDD Income Tax Fund receives income tax revenue collected from the Regional Income Tax Agency received by the Village of Perry that belongs to the JEDD.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**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 Village 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 2018 budgetary activity appears in Note 3.

**Deposits and Investments**

The Village'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.

Money market mutual funds are recorded at share values the mutual funds report. 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 Village 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.

**Fund Balance**

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

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

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

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

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

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,053,550	\$1,100,243	\$46,693
Special Revenue	377,633	462,087	84,454
Debt Service	52,312	84,625	32,313
Total	\$1,483,495	\$1,646,955	\$163,460

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,505,603	\$1,016,938	\$488,665
Special Revenue	609,355	544,635	64,720
Debt Service	52,312	52,312	0
Capital Projects	1,800	0	1,800
Total	\$2,169,070	\$1,613,885	\$555,185

**Note 4 – Deposits and Investments**

The Village 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:

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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	2018
Demand deposits	\$130,310
Andover Bank Money Market	398,886
Mayor's Court	1,290
Mayor's Court Holding	6,463
Total deposits	536,949
STAR Ohio	19,771
UBS Financial Services Inc.	392,723
Total investments	412,494
Total deposits and investments	\$949,443

***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 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

***Income Taxes***

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 6 - Risk Management**

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village'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

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

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some full-time and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

All Village part-time police officers are excluded from OP&F.

***Ohio Police and Fire Retirement System***

Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2018.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 8 - 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 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Ohio Public Works - Issue II Loan	\$110,813	0%
Ohio Public Works - Center Road Loan	\$77,500	0%
Ohio Public Works - Manchester Road Loan	\$70,928	0%
Champion Farm Lease	334,585	0%
Total	\$593,826	

The Ohio Public Works Issue II Loan is related to water, sanitary and storm sewer line improvements. This no-interest loan was issued in 2006 in the amount of \$246,250 and will be repaid in semi-annually installments of \$6,156 over 20 years. The first payment was due January 1, 2008.

The Ohio Public Works Center Road Loan is related to Center Road reconstruction improvements. This no-interest loan was issued in 2015 in the amount of \$100,000 and will be repaid in semi-annually installments of \$2,500 over 20 years. The first payment was due July 1, 2016.

The Ohio Public Works Manchester Loan is related to Manchester Road reconstruction improvements. This no-interest loan was issued in 2018 in the amount of \$70,928 and will be repaid in semi-annually installments of \$2,500 over 20 years. The first payment is due in January 2019.

**Leases**

The Village leases approximately 166 acres of land (property) from The Board of Education of the Perry Local School District. The Village disbursed \$30,000 to pay lease costs for the year ended December 31, 2018.

**Amortization**

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

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

Year Ending December 31:	Leases	Ohio Public Works - Issue II Loan	Ohio Public Works - Center Road Loan	Ohio Public Works - Manchester Road Loan
2019	\$30,000	\$12,313	\$5,000	\$3,546
2020	30,000	12,313	5,000	3,546
2021	30,000	12,313	5,000	3,546
2022	244,585	12,313	5,000	3,546
2023	0	12,313	5,000	3,546
2024-2028	0	49,248	25,000	17,732
2029-2033	0	0	25,000	17,732
2034-2038	0	0	2,500	17,734
Total	<u>\$334,585</u>	<u>\$110,813</u>	<u>\$77,500</u>	<u>\$70,928</u>

**Note 10 – Jointly Governed Organizations**

**Perry Joint Economic Development District**

The Perry Joint Economic Development District was incorporated on August 25, 2000, under the authority of the Ohio Revised Code Section 715.72 through 715.83. The District was comprised of Perry Township and the Village of Perry. On September 12, 2002, the North Perry Village became a member of the District. The District operates under an appointed five-member Board of Directors established in accordance with Ohio Revised Code Section 715.78(A). The District was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Financial information can be obtained by contacting George Malec, Fiscal Officer, 3740 Center Road, P.O. Box 398, Perry, Ohio 44081.

**Perry Joint Fire District**

The Perry Joint Fire District was created on September 27, 2002, by a joint resolution passed by Perry Township, Village of Perry and North Perry Village. This District is directed by an appointed six-member Board of Councils. Two board members are appointed by each political subdivision within the District of which one member is required to be an elected official from each entity. The District provides fire protection and rescue services within the District. Financial information can be obtained by contacting Joanne Clapp, Fiscal Officer, 3742 Center Road, Perry, Ohio 44081.

**Northeast Ohio Public Energy Council (NOPEC)**

The Village is a member of the Northeast Ohio Public Energy Council (“NOPEC”), a jointly governed organization. NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and/or natural gas on behalf of their citizens. The intent of NOPEC is provide electricity and/or natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and/or natural gas to the citizens of its member communities.



**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each County then elect one person to serve on the eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by a participating government is limited to its representation in the General Assembly and on the Board of Director. The Village did not contribute to NOPEC in 2018. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

**Perry Area Recreation Board**

The Village participates on the Perry Area Recreation Board along with North Perry Village, Perry Township and Perry Local Schools to provide recreational opportunities for their citizens. A five-member Board of Trustees directs the Recreation Board, two members are appointed by the School District, and one from each of the other remaining entities. Financial information can be obtained by contacting Michele Woltman, Fiscal Officer, 3740 Center Road, P.O. Box 491, Perry, Ohio 44081.

**VILLAGE OF PERRY  
LAKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$68,982	\$0	\$0	\$0	\$68,982
Municipal Income Tax	\$791,548				791,548
Intergovernmental	124,334	85,033			209,367
Special Assessments		38,602			38,602
Charges for Services	36,548	86,999			123,547
Fines, Licenses and Permits	30,463	3,725			34,188
Earnings on Investments	3,452	1,112			4,564
Miscellaneous	51,123	16,759			67,882
<i>Total Cash Receipts</i>	<u>1,106,450</u>	<u>232,230</u>	<u>0</u>	<u>0</u>	<u>1,338,680</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons & Property	430,660	145,599			576,259
Public Health Services	15,303				15,303
Leisure Time Activities	25,296	9,872			35,168
Community Environment	7,005				7,005
Transportation	162,418	100,731			263,149
General Government	257,935	1,728			259,663
Capital Outlay	35,093				35,093
Debt Service:					
Principal Retirement			42,313		42,313
<i>Total Cash Disbursements</i>	<u>933,710</u>	<u>257,930</u>	<u>42,313</u>	<u>0</u>	<u>1,233,953</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>172,740</u>	<u>(25,700)</u>	<u>(42,313)</u>	<u>0</u>	<u>104,727</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In		25,000	42,313		67,313
Transfers Out	(67,313)				(67,313)
Other Financing Uses	(1,000)				(1,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(68,313)</u>	<u>25,000</u>	<u>42,313</u>	<u>0</u>	<u>(1,000)</u>
<i>Net Change in Fund Cash Balances</i>	104,427	(700)	0	0	103,727
<i>Fund Cash Balances, January 1</i>	<u>447,897</u>	<u>355,187</u>	<u>0</u>	<u>1,809</u>	<u>804,893</u>
<b>Fund Cash Balances, December 31</b>					
Restricted		343,543		1,809	345,352
Committed		10,944			10,944
Unassigned (Deficit)	552,324				552,324
<i>Fund Cash Balances, December 31</i>	<u>\$552,324</u>	<u>\$354,487</u>	<u>\$0</u>	<u>\$1,809</u>	<u>\$908,620</u>

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

**VILLAGE OF PERRY  
LAKE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Fiduciary Fund Type
	Agency
<b>Operating Cash Receipts</b>	
Fines and Costs	\$28,377
<i>Total Operating Cash Receipts</i>	28,377
<b>Operating Cash Disbursements</b>	
JEDD Distributions	277,483
Court Distributions	28,964
<i>Total Operating Cash Disbursements</i>	306,447
<i>Operating Income (Loss)</i>	(278,070)
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	278,021
Other Financing Uses	(538)
<i>Total Non-Operating Receipts (Disbursements)</i>	277,483
<i>Net Change in Fund Cash Balances</i>	(587)
<i>Fund Cash Balances, January 1</i>	9,600
<i>Fund Cash Balances, December 31</i>	\$9,013

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

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 1 - Reporting Entity**

The Village of Perry (the Village), Lake County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government including maintenance of roads, zoning, and police services. The Village contracts with the Lake County Sheriff's department to provide dispatching for the police department for the security of persons and property. The Village is a member of the Perry Joint Fire District to receive EMS and fire protection services.

***Jointly Governed Organizations and Public Entity Risk Pool***

The Village participates in jointly governed organizations and a public entity risk pool. Notes 6 and 10 to the financial statements provides additional information for these entities. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Village'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 its fiduciary fund type which are organized on a fund type basis.

***Fund Accounting***

The Village 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 Village 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 Village 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 Village had the following significant Special Revenue Funds:

***Street Construction Maintenance and Repair Fund*** - The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

***Street Lighting Fund*** - This fund receives property assessment money for constructing, maintaining, repairing and operating Village street lights.

***School Resource Officer (SRO) Fund*** - This fund receives money transfer from General Fund and Perry Local School to provide two police officers in the school.

***Debt Service Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

***Debt Service Fund*** - This fund received proceeds from the financing agreement with the Perry Joint Economic Development District (JEDD) and is used to make debt payments.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Debt Service Fund – Center Road** - This fund receives money from the General Fund to make debt payments for the Center Road reconstruction improvements.

**Debt Service Fund – Property Purchase** - This fund receives money from the General Fund to make debt payments to the Perry Local School District for the purchase of property for future development and economic growth.

**Capital Project Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

**Capital Project Fund** - This fund receives transfers from the General Fund for capital projects.

**Capital Equipment Fund** - This fund receives transfers from the General Fund for capital equipment purchased by the Village.

**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 Village's own programs. The Village has no trust funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency funds account for Mayor's Court and JEDD Income Tax. The Mayor's Court Fund holds deposits, which consist of mayor's court fines and fees. Portions of these revenues are paid to the Village's General Fund, Mayor's Court Computer Fund and the remainder is remitted to the State of Ohio and Painesville Municipal Court. The JEDD Income Tax Fund receives income tax revenue collected from the Regional Income Tax Agency received by the Village of Perry that belongs to the JEDD.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control, and appropriations may not exceed estimated resources. The Village Council 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.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Encumbrances** The Ohio Revised Code requires the Village 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 2017 budgetary activity appears in Note 3.

**Deposits and Investments**

The Village'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.

Money market mutual funds are recorded at share values the mutual funds report. 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 Village 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.

**Fund Balance**

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

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

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

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

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

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

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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

**Note 3 - Budgetary Activity**

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

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,128,785	\$1,106,450	(\$22,335)
Special Revenue	247,648	257,230	9,582
Debt Service	42,313	42,313	0
Total	\$1,418,746	\$1,405,993	(\$12,753)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,441,012	\$1,002,023	\$438,989
Special Revenue	478,090	257,930	220,160
Debt Service	42,313	42,313	0
Capital Projects	1,800	0	1,800
Total	\$1,963,215	\$1,302,266	\$660,949

**Note 4 – Deposits and Investments**

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

	2017
Demand deposits	\$161,561
Andover Bank Money Market	346,813
Total deposits	508,374
STAR Ohio	19,389
Northwest Bank	389,870
Total investments	409,259
Total deposits and investments	\$917,633

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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***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 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

***Income Taxes***

The Village levies a municipal income tax of 2 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**Note 6 - Risk Management**

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

The Village insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.



**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017:

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Village's share of these unpaid claims collectible in future years is approximately \$24,000.

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

<b><u>2017 Contributions to PEP</u></b> \$37,604
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After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some full-time and part-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

All Village part-time police officers are excluded from OP&F.

**Ohio Police and Fire Retirement System**

Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

**Note 8 - Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 1 percent during calendar year 2017. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2017. OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – Debt**

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
Ohio Public Works - Issue II Loan	\$123,125	0%
Ohio Public Works - Center Road Loan	\$87,500	0%
Champion Farm Lease	364,585	0%
Total	\$575,210	

The Ohio Public Works Issue II Loan is related to water, sanitary and storm sewer line improvements. This no-interest loan was issued in 2006 in the amount of \$246,250 and will be repaid in semi-annually installments of \$6,156 over 20 years. The first payment was due January 1, 2008.

The Ohio Public Works Center Road Loan is related to Center Road reconstruction improvements. This no-interest loan was issued in 2015 in the amount of \$100,000 and will be repaid in semi-annually installments of \$2,500 over 20 years. The first payment was due July 1, 2016.

**Leases**

The Village leases approximately 166 acres of land (property) from The Board of Education of the Perry Local School District. The Village disbursed \$20,000 to pay lease costs for the year ended December 31, 2017.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Amortization**

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

Year Ending December 31:	Leases	Ohio Public Works - Issue II Loan	Ohio Public Works - Center Road Loan
2018	\$30,000	\$12,313	\$5,000
2019	30,000	12,313	5,000
2020	30,000	12,313	5,000
2021	30,000	12,313	5,000
2022	244,585	12,313	5,000
2023-2027	0	61,560	25,000
2028-2032	0	0	25,000
2033-2037	0	0	12,500
Total	\$364,585	\$123,125	\$87,500

**Note 10 – Jointly Governed Organizations**

**Perry Joint Economic Development District**

The Perry Joint Economic Development District was incorporated on August 25, 2000, under the authority of the Ohio Revised Code Section 715.72 through 715.83. The District was comprised of Perry Township and the Village of Perry. On September 12, 2002, the North Perry Village became a member of the District. The District operates under an appointed five-member Board of Directors established in accordance with Ohio Revised Code Section 715.78(A). The District was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Financial information can be obtained by contacting George Malec, Fiscal Officer, 3740 Center Road, P.O. Box 398, Perry, Ohio 44081.

**Perry Joint Fire District**

The Perry Joint Fire District was created on September 27, 2002, by a joint resolution passed by Perry Township, Village of Perry and North Perry Village. This District is directed by an appointed six-member Board of Councils. Two board members are appointed by each political subdivision within the District of which one member is required to be an elected official from each entity. The District provides fire protection and rescue services within the District. Financial information can be obtained by contacting Joanne Clapp, Fiscal Officer, 3742 Center Road, Perry, Ohio 44081.

**Northeast Ohio Public Energy Council (NOPEC)**

The Village is a member of the Northeast Ohio Public Energy Council (“NOPEC”), a jointly governed organization. NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity and/or natural gas on behalf of their citizens. The intent of NOPEC is provide electricity and/or natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and/or natural gas to the citizens of its member communities.

**Village of Perry, Ohio**  
*Lake County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each County then elect one person to serve on the eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by a participating government is limited to its representation in the General Assembly and on the Board of Director. The Village did not contribute to NOPEC in 2017. Financial information can be obtained by contacting Chuck Keiper, Executive Director, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

**Perry Area Recreation Board**

The Village participates on the Perry Area Recreation Board along with North Perry Village, Perry Township and Perry Local Schools to provide recreational opportunities for their citizens. A five-member Board of Trustees directs the Recreation Board, two members are appointed by the School District, and one from each of the other remaining entities. Financial information can be obtained by contacting Michele Woltman, Fiscal Officer, 3740 Center Road, P.O. Box 491, Perry, Ohio 44081.



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

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

Village of Perry  
Lake County  
3758 Center Road  
P.O. Box 100  
Perry, Ohio 44081

To the Village Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Perry, Lake County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated November 12, 2019 wherein we noted the Village 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 Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village'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*.

***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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

November 12, 2019



*Village of Perry*  
 3758 Center Road  
 Perry, OH 44081  
 440-259-2671

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
 2 CFR 200.511(b)  
 DECEMBER 31, 2018 AND 2017

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Failure to post transactions correctly	Partially Corrected	Court activity was not recorded in the UAN accounting software in the Mayor's Court agency fund in 2017. The activity was posted in 2018. Repeated as management letter comment.

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# OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF PERRY

LAKE 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  
NOVEMBER 26, 2019