



OHIO AUDITOR OF STATE
KEITH FABER



**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY**

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INDEPENDENT AUDITOR’S REPORT

Perry Joint Economic Development District
Lake County
3740 Center Road
P.O. Box 398
Perry, Ohio 44081

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 Joint Economic Development District, Lake County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, 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 fund type combined total as of and for the years ended December 31, 2022 and 2021, 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 District, as of December 31, 2022 and 2021, 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 District, 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 District 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.

Emphasis of Matter

As discussed in Note 8 to the 2022 and 2021 financial statements, respectively, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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 District'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 District'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 District'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2023, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2023

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Perry Joint Economic Development District
Lake County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Local Taxes	\$323,794	\$30,000	\$20,000	\$373,794
Rental Income		4,200		4,200
Earning on Investments	2,489			2,489
Refunded Grant Payment		58,497		58,497
<i>Total Cash Receipts</i>	<u>326,283</u>	<u>92,697</u>	<u>20,000</u>	<u>438,980</u>
Cash Disbursements				
Current:				
Contractual Services	99,901			99,901
General Government	5,616		16,424	22,040
Payments on Financing Agreements		85,874		85,874
Distribution to Member Entities	80,000			80,000
<i>Total Cash Disbursements</i>	<u>185,517</u>	<u>85,874</u>	<u>16,424</u>	<u>287,815</u>
<i>Net Change in Fund Cash Balances</i>	140,766	6,823	3,576	151,165
<i>Fund Cash Balances, January 1</i>	<u>440,445</u>	<u>304,552</u>	<u>(130,216)</u>	<u>614,781</u>
<i>Fund Cash Balances, December 31</i>	<u>\$581,211</u>	<u>\$311,375</u>	<u>(\$126,640)</u>	<u>\$765,946</u>

See accompanying notes to the basic financial statements

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 – Reporting Entity

The Perry Joint Economic Development District, Lake County, Ohio (the District) was incorporated on August 25, 2000 under the authority of Ohio Rev. Code 715.72 through 715.83. The District was comprised of Perry Township and Perry Village. On September 12, 2002, North Perry Village became a member of the District. The District operates under an appointed five-member Board of Directors established in accordance with 715.78 (A). The District was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Pursuant to 715.74 of the Revised Code, the Board adopted a resolution to the levy an income tax in the District at a rate of 1.0%.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose matters the Auditor of State prescribes.

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

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

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

Debt Service Fund The debt service fund is used to accumulate resources for the payments of the financing agreements with Perry Village.

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 District had the following significant capital project funds:

Capital Project Fund The Capital Project Fund received proceeds from the General Fund that were used to account for the construction of a sewer system and improvements to properties located within the District.

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 District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies – (Continued)

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.

Deposits and Investments

The District'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.

Capital Assets

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

Fund Balance

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

1. Non spendable

The District classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. Restricted

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

3. Committed

Trustees can *commit* amounts via formal action (resolution). The District adheres to these commitments unless the Board 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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as a *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 the Board Trustees or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies – (Continued)

The District applies restricted resources first when expenditures are incurred for the 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 – Deposits and Investments

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

	<u>2022</u>
Demand Deposits	\$ 165,601
Other time deposits (savings and NOW accounts)	600,345
Total Deposits	\$ 765,946

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.

Note 4 - Taxes

The District levies a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the District.

Employers within the District withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency for the Village of Perry, which is then forwarded to the District.

Note 5 – Financing Agreement

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

	<u>Principal</u>	<u>Interest Rate</u>
Village of Perry Bond Anticipation Loan	\$ 1,250,000	3.96%

Perry Village issued a loan to the District in the amount of \$1,350,000 with an effective date of April 18, 2019. This loan was issued with an annual interest rate of 3.96% for the purposes of repaying the loan from Perry Township of \$750,000 and for the proposed sewer infrastructure work to be performed on the property owned by Midwest Materials, which is part of the District. Perry Village obtained this loan, from Northwest Bank, on behalf of the District, for the aforementioned distribution purposes. The infrastructure work was completed in December of 2020.

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 5 – Financing Agreement – (Continued)

Amortization for the above debts, including interest, is scheduled as follows:

	Year Ending December 31	Village of Perry
	2023	84,500
	2024	88,114
	2025	86,530
	2026-2029	1,304,686
Total		\$ 1,563,830

Note 6 – Risk Management

The District 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 District’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 liability available to pay those liability as of December 31:

Cash and investments	\$44,928,305
Actual liabilities	\$17,338,451

Note 7 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. 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. At year end the balances of these amounts were as follows:

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 7 – Fund Balances – (Continued)

<u>Fund Balances</u>	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Restricted		\$311,375	(\$126,640)	\$184,735
Unassigned	\$581,211			581,211
Total	<u>\$581,211</u>	<u>\$311,375</u>	<u>(\$126,640)</u>	<u>\$765,946</u>

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

Note 8 - 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues and additional recovery from emergency funding, either federal or state, cannot be estimated.

Perry Joint Economic Development District
Lake County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2021

	General	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Local Taxes	\$303,831			\$303,831
Rental Income		\$1,200		1,200
Earning on Investments	846			846
<i>Total Cash Receipts</i>	<u>304,677</u>	<u>1,200</u>	<u>0</u>	<u>305,877</u>
Cash Disbursements				
Current:				
Capital Improvement & Repairs			\$49,735	49,735
Contractual Services	92,136			92,136
General Government	5,963		6,000	11,963
Payments on Financing Agreements		127,272		127,272
Distribution to Member Entities	80,000			80,000
<i>Total Cash Disbursements</i>	<u>178,099</u>	<u>127,272</u>	<u>55,735</u>	<u>361,106</u>
<i>Net Change in Fund Cash Balances</i>	126,578	(126,072)	(55,735)	(55,229)
<i>Fund Cash Balances, January 1</i>	<u>313,867</u>	<u>430,624</u>	<u>(74,481)</u>	<u>670,010</u>
<i>Fund Cash Balances, December 31</i>	<u>\$440,445</u>	<u>\$304,552</u>	<u>(\$130,216)</u>	<u>\$614,781</u>

See accompanying notes to the basic financial statements

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1 – Reporting Entity

The Perry Joint Economic Development District, Lake County, Ohio (the District) was incorporated on August 25, 2000 under the authority of Ohio Rev. Code 715.72 through 715.83. The District was comprised of Perry Township and Perry Village. On September 12, 2002, North Perry Village became a member of the District. The District operates under an appointed five-member Board of Directors established in accordance with 715.78 (A). The District was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Pursuant to 715.74 of the Revised Code, the Board adopted a resolution to the levy an income tax in the District at a rate of 1.0%.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements adequately disclose matters the Auditor of State prescribes.

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The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

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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 District had the following significant capital project funds:

Capital Project Fund The Capital Project Fund received proceeds from the General Fund that were used to account for the construction of a sewer system and improvements to properties located within the District.

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 District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Y

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies – (Continued)

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.

Deposits and Investments

The District'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.

Capital Assets

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

Fund Balance

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

1. Non spendable

The District classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

2. Restricted

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

3. Committed

Trustees can *commit* amounts via formal action (resolution). The District adheres to these commitments unless the Board 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.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as a *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 the Board Trustees or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2 – Summary of Significant Accounting Policies – (Continued)

The District applies restricted resources first when expenditures are incurred for the 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 – Deposits and Investments

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

	2021
Demand Deposits	\$ 120,910
Other time deposits (savings and NOW accounts)	493,871
Total Deposits	\$ 614,781

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.

Note 4 - Taxes

The District levies a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the District.

Employers within the District withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency for the Village of Perry, which is then forwarded to the District.

Note 5 – Financing Agreement

Debt outstanding on December 31, 2021, was as follows:

	Principal	Interest Rate
Village of Perry Bond Anticipation Loan	\$ 1,285,000	3.96%

Perry Local schools issued a loan to the District in the amount of \$169,162 with an effective date of May 26, 2017. This is a loan that was issued with a zero percent rate of interest for the purpose of developing a parcel of land within the District. The District agreed to assist Perry Village in the purchase an adjacent parcel of land, as part of the same Purchase Agreement with the Perry Locals Schools. Perry Village agreed to reimburse the District \$58,497 on May 1, 2021 for the amounts paid to Perry Local Schools on behalf of Perry Village.

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 5 – Financing Agreement – (Continued)

Perry Village issued a loan to the District in the amount of \$1,350,000 with an effective date of April 18, 2019. This loan was issued with an annual interest rate of 3.96% for the purposes of repaying the loan from Perry Township of \$750,000 and for the proposed sewer infrastructure work to be performed on the property owned by Midwest Materials, which is part of the District. Perry Village obtained this loan, from Northwest Bank, on behalf of the District, for the aforementioned distribution purposes. The infrastructure work was completed in December of 2020.

Amortization for the above debts, including interest, is scheduled as follows:

	Year Ending December 31	Village of Perry	Total
	2022	85,886	85,886
	2023	84,500	84,500
	2024	88,114	88,114
	2025	86,530	86,530
	2026-2029	1,304,686	1,304,686
Total		\$ 1,649,716	\$ 1,776,988

Note 6 – Risk Management

The District 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 District'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 liability available to pay those liability as of December 31:

Cash and investments	\$41,996,850
Actual liabilities	\$14,974,099

Note 7 – Fund Balances

Included in fund balance are amounts the District cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. 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. At year end the balances of these amounts were as follows:

**PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT
LAKE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 7 – Fund Balances – (Continued)

<u>Fund Balances</u>	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Restricted		\$304,552	(\$130,216)	\$174,336
Unassigned	\$440,445			440,445
Total	<u>\$440,445</u>	<u>\$304,552</u>	<u>(\$130,216)</u>	<u>\$614,781</u>

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

Note 8- 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues and additional recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



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

Perry Joint Economic Development District
Lake County
3740 Center Road
P.O. Box 398
Perry, Ohio 44081

To the Board of Trustees:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Perry Joint Economic Development District, Lake County, Ohio (the District) and have issued our report thereon dated June 1, 2023, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. Additionally, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2023

OHIO AUDITOR OF STATE KEITH FABER



PERRY JOINT ECONOMIC DEVELOPMENT DISTRICT

LAKE 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 6/15/2023

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov