



Dave Yost • Auditor of State

**Perry County
Perry County, Ohio**

**Modified Cash Financial Statements
For the Year Ended December 31, 2014**

Local Government Services Section

Perry County, Ohio
Modified Cash Statements
For the Year Ended December 31, 2014

Table of Contents

	<u>Page</u>
Table of Contents	1
Accountant’s Compilation Letter	3
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	13
Statement of Activities – Modified Cash Basis	14
Fund Financial Statements:	
Statement of Modified Cash Basis Assets and Fund Balances – Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities – Modified Cash Basis	17
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund	20
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Job and Family Services Fund.....	21
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Board of Developmental Disabilities Fund	22
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – Auto License and Gasoline Tax Fund	23
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) – County Home Fund	24
Statement of Fund Net Position – Modified Cash Basis - Proprietary Funds	25

(continued)

Perry County, Ohio
Modified Cash Statements
For the Year Ended December 31, 2014

Table of Contents (continued)

Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Modified Cash Basis – Proprietary Funds	27
Statement of Net Position – Modified Cash Basis – Agency Funds	28
Notes to the Financial Statements	29



Dave Yost • Auditor of State

Honorable County Commissioners
Perry County
P.O. Box 248
121 W. Brown Street
New Lexington, Ohio 43764

Accountant's Compilation Report

We have compiled the accompanying basic financial statements arising from cash transactions of Perry County, Ohio as of and for the year ended December 31, 2014. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the display requirements of the Governmental Accounting Standards Board Statement No. 34 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The Management's Discussion and Analysis is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

DAVE YOST
Auditor of State

A handwritten signature in cursive script that reads "Unice S. Smith".

Unice S. Smith
Chief of Local Government Services

March 2, 2015

Local Government Services Section
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Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

The discussion and analysis of Perry County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Net position of governmental activities increased \$907,878. Net position of the business-type activities increased \$11,068.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$17,769,255, an increase of \$532,254 from the prior year.

Using This Annual Financial Report

This discussion and analysis is intended to serve as an introduction to Perry County's Modified Cash Financial Statements. Perry County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

County-Wide Financial Statements

The County-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position - Modified Cash Basis* presents information on Perry County's modified cash assets.

The *Statement of Activities - Modified Cash Basis* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs.

Both of the government-wide financial statements identify functions of Perry County that are principally supported by taxes and intergovernmental receipts (governmental activities).

In the statement of net position and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and conservation and economic development. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared receipts.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sewer and water systems are reported here.

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund and the Job and Family Services, Board of Developmental Disabilities, Auto License and Gasoline Tax, and the County Home Special Revenue Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund *Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances* for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Sewer and Water Fund operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The Self-Insurance Fund accounts for the claims and liabilities relating to the County's self-insured health program.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Government-Wide Financial Analysis

Recall that the Statement of Net Position looks at the County as a whole. Table 1 provides a summary of the County's net position for 2014 compared to 2013.

Table 1
Perry County's Net Position - Modified Cash Basis

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Equity in Pooled Cash, Cash Equivalents and Investments	\$17,594,305	\$16,953,021	\$113,119	\$102,051	\$17,707,424	\$17,055,072
Cash in Segregated Accounts	1,512,509	1,129,305	0	0	1,512,509	1,129,305
Cash With Fiscal Agents	189,193	305,803	0	0	189,193	305,803
<i>Totals Assets</i>	<u>\$19,296,007</u>	<u>\$18,388,129</u>	<u>\$113,119</u>	<u>\$102,051</u>	<u>\$19,409,126</u>	<u>\$18,490,180</u>
Net Position						
Restricted for:						
Capital Projects	\$5,355	\$409,206	\$0	\$0	\$5,355	\$409,206
Health	1,060,103	1,927,771	0	0	1,060,103	1,927,771
Public Works	3,277,764	3,054,812	0	0	3,277,764	3,054,812
Human Services	4,631,769	4,025,910	0	0	4,631,769	4,025,910
Real Estate Assessment	1,392,143	1,352,583	0	0	1,392,143	1,352,583
Judicial	427,362	470,965	0	0	427,362	470,965
Public Safety	1,303,439	1,208,635	0	0	1,303,439	1,208,635
Debt Service	15,001	15,206	0	0	15,001	15,206
Unclaimed Monies	68,007	63,896	0	0	68,007	63,896
Other Purposes	143,630	107,527	0	0	143,630	107,527
Unrestricted	6,971,434	5,751,618	113,119	102,051	7,084,553	5,853,669
<i>Total Net Position</i>	<u>\$19,296,007</u>	<u>\$18,388,129</u>	<u>\$113,119</u>	<u>\$102,051</u>	<u>\$19,409,126</u>	<u>\$18,490,180</u>

A portion of the County's net position, \$12,324,573 or 63 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance, unrestricted net position of \$7,084,553, or 37 percent, is to be used to meet the County's ongoing obligations to citizens and creditors.

Table 2 shows the changes in net position for the fiscal year ended December 31, 2014, and comparisons to fiscal year 2013.

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 2
Changes in Net Position

	Governmental Activites 2014	Business-Type Activities 2014	Total 2014	Governmental Activites 2013	Business-Type Activities 2013	Total 2013
Receipts						
Program Receipts:						
Charges for Services	\$4,443,262	\$1,387,397	\$5,830,659	\$4,757,312	\$1,316,083	\$6,073,395
Operating Grants, Contributions, and Interest	17,640,799	0	17,640,799	16,504,705	0	16,504,705
Capital Grants, Contributions, and Interest	310,225	25,000	335,225	1,252,179	284,344	1,536,523
<i>Total Program Receipts</i>	<u>22,394,286</u>	<u>1,412,397</u>	<u>23,806,683</u>	<u>22,514,196</u>	<u>1,600,427</u>	<u>24,114,623</u>
General Receipts and Transfers:						
Property Taxes	6,093,150	0	6,093,150	6,054,880	0	6,054,880
Permissive Sales Taxes	3,772,301	0	3,772,301	3,509,915	0	3,509,915
Intergovernmental	1,154,286	0	1,154,286	1,104,836	0	1,104,836
Interest	66,532	0	66,532	24,972	0	24,972
Payment in Lieu of Taxes	226,209	0	226,209	236,442	0	236,442
Miscellaneous	1,312,366	51,805	1,364,171	909,391	61,417	970,808
Loan Proceeds	0	124,151	124,151	0	949,726	949,726
<i>Total General Receipts</i>	<u>12,624,844</u>	<u>175,956</u>	<u>12,800,800</u>	<u>11,840,436</u>	<u>1,011,143</u>	<u>12,851,579</u>
Advances In	0	82,170	82,170	0	0	0
Transfers In	7,160	0	7,160	105,968	0	105,968
<i>Total Receipts</i>	<u>35,026,290</u>	<u>1,670,523</u>	<u>36,696,813</u>	<u>34,460,600</u>	<u>2,611,570</u>	<u>37,072,170</u>
Program Disbursements						
General Government:						
Legislative and Executive	3,160,664	0	3,160,664	3,016,693	0	3,016,693
Judicial	1,901,508	0	1,901,508	1,821,999	0	1,821,999
Public Safety	4,660,042	0	4,660,042	4,829,402	0	4,829,402
Public Works	4,986,094	0	4,986,094	6,467,356	0	6,467,356
Health	7,167,427	0	7,167,427	6,336,710	0	6,336,710
Human Services	10,631,203	0	10,631,203	9,622,343	0	9,622,343
Community and Economic Development	359,928	0	359,928	565,744	0	565,744
Conservation and Recreation	292,302	0	292,302	260,727	0	260,727
Urban Redevelopment and Housing	107,828	0	107,828	101,225	0	101,225
Capital Outlay	327,467	0	327,467	213,604	0	213,604
Debt Service:						
Principal	369,146	0	369,146	431,843	0	431,843
Interest and Fiscal Charges	72,633	0	72,633	81,660	0	81,660
Water	0	846,472	846,472	0	1,874,359	1,874,359
Sewer	0	805,823	805,823	0	846,172	846,172
<i>Total Disbursements</i>	<u>34,036,242</u>	<u>1,652,295</u>	<u>35,688,537</u>	<u>33,749,306</u>	<u>2,720,531</u>	<u>36,469,837</u>
Advances Out	82,170	0	82,170	0	0	0
Transfers Out	0	7,160	7,160	0	105,968	105,968
<i>Change in Net Position</i>	<u>907,878</u>	<u>11,068</u>	<u>918,946</u>	<u>711,294</u>	<u>(214,929)</u>	<u>602,333</u>
Net Position Beginning of Year	18,388,129	102,051	18,490,180	17,676,835	316,980	17,993,815
Net Position End of Year	<u>\$19,296,007</u>	<u>\$113,119</u>	<u>\$19,409,126</u>	<u>\$18,388,129</u>	<u>\$102,051</u>	<u>\$18,596,148</u>

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Operating grants were the largest program receipts, accounting for \$17,640,799, or 50 percent of total governmental activities receipts. The major recipients of intergovernmental program receipts were the Job and Family Services, Engineer, Mental Health, Children Services, and Board of Developmental Disabilities governmental departments.

Property tax receipts account for \$6,093,150, or 17 percent of total governmental activities receipts. Another major component of general governmental receipts was permissive sales taxes, which accounted for \$3,772,301 or 11 percent of total receipts.

The County's direct charges to users of governmental services made up \$4,443,262 or 13 percent of total governmental receipts. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Human services programs accounted for \$10,631,203, or 31 percent of total disbursements for governmental activities. Other major program disbursements for governmental activities include health programs, public safety programs, and public works programs, which accounted for \$7,167,427, \$4,660,042, and \$4,986,094, or 21 percent, 14 percent and 15 percent, respectively, of total disbursements.

Business-Type Activities

The net position for business-type activities increased \$11,068 during 2014. Charges for services accounted for \$1,387,397 or 83 percent of receipts. The remaining \$283,126, or 17 percent, of revenue represented the loan proceeds from the Ohio Water Development Authority and the Ohio Public Works Commission, capital grants, miscellaneous general receipts, and an advance from the General Fund.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2014 and 2013. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax receipts and unrestricted intergovernmental receipts.

Table 3
 Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2014	2014	2013	2013
General Government:				
Legislative and Executive	\$3,160,664	\$1,549,932	\$3,016,693	\$1,273,163
Judicial	1,901,508	1,088,181	1,821,999	1,058,525
Public Safety	4,660,042	1,900,587	4,829,402	2,266,388
Public Works	4,986,094	(163,677)	6,467,356	(310,298)
Health	7,167,427	4,242,278	6,336,710	3,531,238
Human Services	10,631,203	1,963,752	9,622,343	2,392,154
Community and Economic Development	359,928	(827)	565,744	36,288
Conservation and Recreation	292,302	292,302	260,727	260,727
Urban Redevelopment and Housing	107,828	182	101,225	(182)
Capital Outlay	327,467	327,467	213,604	213,604
Principal Retirement	369,146	369,146	431,843	431,843
Interest and Fiscal Charges	72,633	72,633	81,660	81,660
Total Expenses	<u>\$34,036,242</u>	<u>\$11,641,956</u>	<u>\$33,749,306</u>	<u>\$11,235,110</u>

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Charges for services, operating grants, and capital grants of \$22,394,286, or 66 percent of the total costs of services, are received and used to fund the general government disbursements of the County. The remaining \$11,641,956 in general government disbursements is funded by property taxes, permissive sales taxes, intergovernmental receipts, interest, payments in lieu of taxes, and miscellaneous receipts.

The \$1,963,752 and \$4,242,278 in net cost of services for human services and health demonstrate the costs of services that are not supported from State and federal resources. The (\$163,677) and (\$827) in net cost of services for public works and community and economic development indicate that these programs are self-supporting and need no use of general receipts of the government.

Financial Analysis of County Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2014, the County's governmental funds reported a combined ending fund balance of \$17,769,255, an increase of \$532,254 in comparison with the prior year.

The General Fund is the primary operating fund of the County. At the end of 2014, unassigned fund balance was \$5,037,819, while total fund balance was \$5,307,803. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund disbursements. Unassigned fund balance represents 67 percent to total General Fund disbursements, while total fund balance represents 70 percent of that same amount.

The fund balance of the County's General Fund increased \$730,189 during 2014. This increase was mainly due to the County receiving more in sales tax, casino revenue, and auditor conveyance and transfer fees in 2014 compared to 2013.

At the end of 2014, the Job and Family Services Special Revenue Fund had a fund balance of \$446,053, in comparison to a fund balance of \$179,136 at the end of 2013. This change is primarily due to an increase in grant receipts combined with a decrease in overall expenditures during 2014. In addition, the Job and Family Services Special Revenue Fund received a transfer in the amount of \$136,135 from the General Fund.

At the end of 2014, the Board of Developmental Disabilities Special Revenue Fund had a fund balance of \$1,002,927, in comparison to a fund balance of \$2,077,753 at the end of 2013. For the third straight year, the overall expenditures have exceeded receipts by \$950,000.

At the end of 2014, the Auto License and Gasoline Tax Special Revenue Fund had a fund balance of \$3,059,992, in comparison to a fund balance of \$2,843,475 at the end of 2013. This increase is primarily due to the County Engineer keeping expenditures in line with revenues.

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

At the end of 2014, the County Home Special Revenue Fund had a fund balance of \$2,604,347, in comparison to a fund balance of \$2,459,510 at the end of 2013. This increase is primarily due the County Home keeping expenditures in line with revenues.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for Sewer and Water Fund operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County uses an internal service fund to account for the self-insurance program. The Self-Insurance Fund accounts for the claims and relating to the County's self-insured health program.

As of December 31, 2014, unrestricted net position for the County's Sewer Enterprise Fund was \$113,119. The County's Water Enterprise Fund had a \$0 unrestricted net position as of December 31, 2014, due to a cash advance made from the General Fund to eliminate a deficit fund balance.

As of December 31, 2014, unrestricted net position in the self-insurance program were \$1,526,752.

Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Board of County Commissioners adopts a permanent annual operating budget for the County on or about January 1.

For the General Fund, the only changes from the original budget to the final budget were in appropriations, which were increased \$638,033. Fluctuations in growth and diversity have typically not occurred in Perry County, allowing department managers the ability to consistently predict receipts and disbursements.

Capital Assets and Debt Administration

Capital Assets - The County does not track their capital assets and no information relating to capital assets is being presented.

Long-Term Obligations - As of December 31, 2014, the County had total general obligation refunded bonded debt outstanding of \$2,055,000 for the remodeling of the Jobs and Family Services building. The majority of the bonded debt is expected to be repaid through governmental activities, with a portion being paid by the Water Enterprise Fund.

In addition to the bonded indebtedness, the County has a number of outstanding loans with government agencies in regards to water and sewer activities and capital lease/purchase agreements with Johnson Controls. The total principal outstanding as of December 31, 2014, is \$13,655,364 for water and sewer activities. The repayment of these loans will be made through user fees and charges. The total principal outstanding as of December 31, 2014, is \$393,458 for the capital lease/purchase agreements. See Note 13 for capital leases and Note 14 for additional information regarding the County's debt.

Perry County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Economic Factors

The unemployment rate for the County is currently 5.8 percent, which is a decrease from 9.3 percent in 2013. Perry County has long been considered a manufacturing and agricultural County. The decrease in unemployment is due to the slowly increasing economic growth.

Real property values within the County have slightly decreased over the past several years. Our vacant land sales have stayed steady as compared to home sales that dwindled during the recent recession as they had over all of Ohio. Perry County is a residential bedroom community of surrounding metropolitan areas due to its history of investment in residential infrastructure. This has improved the tax base for schools, libraries, and local governments.

The various economic factors were considered in the preparation of the County's 2014 budget and they will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Teresa Stevenson, Perry County Auditor, PO Box 127, New Lexington, Ohio 43764.

Basic Financial Statements

Perry County, Ohio
Statement of Net Position - Modified Cash Basis
 December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$17,594,305	\$113,119	\$17,707,424
Cash in Segregated Accounts	1,512,509	0	1,512,509
Cash With Fiscal Agents	189,193	0	189,193
<i>Total Assets</i>	<u>\$19,296,007</u>	<u>\$113,119</u>	<u>\$19,409,126</u>
Net Position			
Restricted for:			
Capital Projects	\$5,355	\$0	\$5,355
Health	1,060,103	0	1,060,103
Public Works	3,277,764	0	3,277,764
Human Services	4,631,769	0	4,631,769
Real Estate Assessment	1,392,143	0	1,392,143
Judicial	427,362	0	427,362
Public Safety	1,303,439	0	1,303,439
Debt Service	15,001	0	15,001
Unclaimed Monies	68,007	0	68,007
Other Purposes	143,630	0	143,630
Unrestricted	<u>6,971,434</u>	<u>113,119</u>	<u>7,084,553</u>
<i>Total Net Position</i>	<u>\$19,296,007</u>	<u>\$113,119</u>	<u>\$19,409,126</u>

See accompanying notes to the basic financial statements

See accountant's compilation report

Perry County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2014

	Cash Disbursements	Charges for Services	Program Receipts	
			Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental Activities				
General Government:				
Legislative and Executive	\$3,160,664	\$1,571,526	\$39,206	\$0
Judicial	1,901,508	648,727	164,600	0
Public Safety	4,660,042	171,009	2,307,188	281,258
Public Works	4,986,094	863,495	4,257,309	28,967
Health	7,167,427	373,393	2,551,756	0
Human Services	10,631,203	814,612	7,852,839	0
Community and Economic Development	359,928	500	360,255	0
Conservation and Recreation	292,302	0	0	0
Urban Redevelopment and Housing	107,828	0	107,646	0
Capital Outlay	327,467	0	0	0
Debt Service:				
Principal Retirement	369,146	0	0	0
Interest and Fiscal Charges	72,633	0	0	0
<i>Total Governmental Activities</i>	<u>34,036,242</u>	<u>4,443,262</u>	<u>17,640,799</u>	<u>310,225</u>
Business-Type Activities				
Sewer Fund	846,472	648,441	0	0
Water Fund	805,823	738,956	0	25,000
<i>Total Business-Type Activities</i>	<u>1,652,295</u>	<u>1,387,397</u>	<u>0</u>	<u>25,000</u>
<i>Totals</i>	<u>\$35,688,537</u>	<u>\$5,830,659</u>	<u>\$17,640,799</u>	<u>\$335,225</u>

General Receipts

Property Taxes Levied for:

General Purposes

Board of Developmental Disabilities

Community Mental Health

Children Services

County Home

Senior Center

Sales Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Interest

Payment in Lieu of Taxes

Miscellaneous

Loan Proceeds

Total General Receipts

Transfers

Advances

Total General Receipts and Other Financing Sources(Uses)

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements
 See accountant's compilation report

Net (Disbursements) Receipts
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$1,549,932)	\$0	(\$1,549,932)
(1,088,181)	0	(1,088,181)
(1,900,587)	0	(1,900,587)
163,677	0	163,677
(4,242,278)	0	(4,242,278)
(1,963,752)	0	(1,963,752)
827	0	827
(292,302)	0	(292,302)
(182)	0	(182)
(327,467)	0	(327,467)
(369,146)	0	(369,146)
(72,633)	0	(72,633)
<u>(11,641,956)</u>	<u>0</u>	<u>(11,641,956)</u>
0	(198,031)	(198,031)
0	(41,867)	(41,867)
<u>0</u>	<u>(239,898)</u>	<u>(239,898)</u>
<u>(11,641,956)</u>	<u>(239,898)</u>	<u>(11,881,854)</u>
2,218,929	0	2,218,929
1,714,148	0	1,714,148
280,094	0	280,094
545,502	0	545,502
1,173,311	0	1,173,311
161,166	0	161,166
3,772,301	0	3,772,301
1,154,286	0	1,154,286
66,532	0	66,532
226,209	0	226,209
1,312,366	51,805	1,364,171
0	124,151	124,151
<u>12,624,844</u>	<u>175,956</u>	<u>12,800,800</u>
7,160	(7,160)	0
(82,170)	82,170	0
<u>12,549,834</u>	<u>250,966</u>	<u>12,800,800</u>
907,878	11,068	918,946
<u>18,388,129</u>	<u>102,051</u>	<u>18,490,180</u>
<u>\$19,296,007</u>	<u>\$113,119</u>	<u>\$19,409,126</u>

See accountant's compilation report

Perry County, Ohio
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2014

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$5,239,796	\$446,053	\$813,734	\$3,059,992	\$2,604,347	\$5,279,151	\$17,443,073
Restricted Cash and Cash Equivalents	68,007	0	0	0	0	0	68,007
Cash in Segregated Accounts	0	0	0	0	0	68,982	68,982
Cash With Fiscal Agents	0	0	189,193	0	0	0	189,193
<i>Total Assets</i>	<u>\$5,307,803</u>	<u>\$446,053</u>	<u>\$1,002,927</u>	<u>\$3,059,992</u>	<u>\$2,604,347</u>	<u>\$5,348,133</u>	<u>\$17,769,255</u>
Fund Balances							
Nonspendable	\$68,007	\$0	\$0	\$0	\$0	\$0	\$68,007
Restricted	0	446,053	1,002,927	3,059,992	2,604,347	5,143,247	12,256,566
Committed	56,434	0	0	0	0	204,886	261,320
Assigned	145,543	0	0	0	0	0	145,543
Unassigned	5,037,819	0	0	0	0	0	5,037,819
<i>Total Fund Balances</i>	<u>\$5,307,803</u>	<u>\$446,053</u>	<u>\$1,002,927</u>	<u>\$3,059,992</u>	<u>\$2,604,347</u>	<u>\$5,348,133</u>	<u>\$17,769,255</u>

See accompanying notes to the basic financial statements

See accountant's compilation report

Perry County, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Modified Cash Basis
December 31, 2014*

Total Governmental Fund Balances \$17,769,255

*Amounts reported for governmental activities in the
statement of net position are different because:*

An internal service fund is used by management to charge the costs
of insurance to individual funds. The assets of the internal service fund
are included in governmental activities in the statement of net position.

1,526,752

Net Position of Governmental Activities

\$19,296,007

See accompanying notes to the basic financial statements

See accountant's compilation report

Perry County, Ohio
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home	Other Governmental Funds	Total Governmental Funds
Receipts							
Property Taxes	\$2,218,929	\$0	\$1,714,148	\$0	\$1,173,311	\$986,762	\$6,093,150
Sales Taxes	3,772,301	0	0	0	0	0	3,772,301
Payment in Lieu of Taxes	226,209	0	0	0	0	0	226,209
Charges for Services	975,437	345,390	227,288	140,841	143,265	1,669,685	3,501,906
Licenses and Permits	2,127	0	0	0	0	307,939	310,066
Fines and Forfeitures	349,002	0	0	5,950	0	185,716	540,668
Intergovernmental	1,252,830	4,880,439	2,517,077	3,790,625	149,190	6,514,402	19,104,563
Interest	65,670	0	0	747	0	0	66,417
Rent	0	0	0	0	0	90,622	90,622
Miscellaneous	243,085	5,001	898,926	0	54	165,300	1,312,366
Total Receipts	9,105,590	5,230,830	5,357,439	3,938,163	1,465,820	9,920,426	35,018,268
Disbursements							
Current:							
General Government:							
Legislative and Executive	2,638,243	0	0	0	0	593,097	3,231,340
Judicial	1,570,317	0	0	0	0	413,881	1,984,198
Public Safety	2,377,725	0	0	0	0	2,389,761	4,767,486
Public Works	0	0	0	3,721,646	0	1,297,517	5,019,163
Health	132,810	0	6,432,265	0	0	606,483	7,171,558
Human Services	400,722	5,100,048	0	0	1,320,983	3,886,202	10,707,955
Community and Economic Development	14,500	0	0	0	0	345,428	359,928
Conservation and Recreation	292,302	0	0	0	0	0	292,302
Urban Redevelopment and Housing	0	0	0	0	0	107,828	107,828
Capital Outlay	0	0	0	0	0	327,467	327,467
Debt Service:							
Principal Retirement	90,811	0	0	0	0	278,335	369,146
Interest and Fiscal Charges	15,575	0	0	0	0	57,058	72,633
Total Disbursements	7,533,005	5,100,048	6,432,265	3,721,646	1,320,983	10,303,057	34,411,004
Excess of Receipts Over (Under) Disbursements	1,572,585	130,782	(1,074,826)	216,517	144,837	(382,631)	607,264
Other Financing Sources (Uses)							
Advances In	240,889	0	0	0	0	556,933	797,822
Advances Out	(642,936)	0	0	0	0	(237,056)	(879,992)
Transfers In	0	136,135	0	0	0	311,374	447,509
Transfers Out	(440,349)	0	0	0	0	0	(440,349)
Total Other Financing Sources (Uses)	(842,396)	136,135	0	0	0	631,251	(75,010)
Net Change in Fund Balances	730,189	266,917	(1,074,826)	216,517	144,837	248,620	532,254
Fund Balances Beginning of Year	4,577,614	179,136	2,077,753	2,843,475	2,459,510	5,099,513	17,237,001
Fund Balances End of Year	\$5,307,803	\$446,053	\$1,002,927	\$3,059,992	\$2,604,347	\$5,348,133	\$17,769,255

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
*Reconciliation of the Statement of Modified Cash Receipts, Disbursements and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014*

Net Change in Fund Balances - Governmental Funds \$532,254

*Amounts reported for governmental activities
in the statement of activities are different because:*

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund disbursements and the related internal service fund receipts are eliminated. The net disbursements of the internal service fund is allocated among the governmental activities.

375,624

Change in Net Position of Governmental Activities

\$907,878

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
Statement of Receipts, Disbursements and Changes in
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts				
Property Taxes	\$1,960,000	\$1,960,000	\$2,218,929	\$258,929
Sales Taxes	3,220,000	3,220,000	3,772,301	552,301
Payment in Lieu of Taxes	230,000	230,000	226,209	(3,791)
Charges for Services	780,930	780,930	988,787	207,857
Licenses and Permits	1,970	1,970	2,127	157
Fines and Forfeitures	286,300	286,300	349,002	62,702
Intergovernmental	1,130,000	1,130,000	1,245,454	115,454
Interest	80,000	80,000	34,481	(45,519)
Miscellaneous	26,505	26,505	229,735	203,230
<i>Total Receipts</i>	<u>7,715,705</u>	<u>7,715,705</u>	<u>9,067,025</u>	<u>1,351,320</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	2,539,966	2,877,764	2,689,375	188,389
Judicial	1,587,397	1,644,622	1,579,375	65,247
Public Safety	2,560,336	2,653,736	2,404,726	249,010
Community and Economic Development	12,500	14,500	14,500	0
Health	147,511	151,411	132,810	18,601
Human Services	403,167	446,377	448,300	(1,923)
Conservation and Recreation	191,802	292,302	292,302	0
Debt Service:				
Principal Retirement	90,811	90,811	90,811	0
Interest and Fiscal Charges	15,575	15,575	15,575	0
<i>Total Disbursements</i>	<u>7,549,065</u>	<u>8,187,098</u>	<u>7,667,774</u>	<u>519,324</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>166,640</u>	<u>(471,393)</u>	<u>1,399,251</u>	<u>1,870,644</u>
Other Financing Sources (Uses)				
Advances In	0	0	240,889	240,889
Advance Out	0	0	(560,766)	(560,766)
Transfers Out	(359,330)	(479,818)	(440,349)	39,469
<i>Total Other Financing Sources (Uses)</i>	<u>(359,330)</u>	<u>(479,818)</u>	<u>(760,226)</u>	<u>(280,408)</u>
<i>Net Change in Fund Balance</i>	(192,690)	(951,211)	639,025	1,590,236
<i>Fund Balance Beginning of Year</i>	4,271,227	4,271,227	4,271,227	0
<i>Prior Year Encumbrances Appropriated</i>	<u>220,435</u>	<u>220,435</u>	<u>220,435</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,298,972</u>	<u>\$3,540,451</u>	<u>\$5,130,687</u>	<u>\$1,590,236</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Job and Family Services Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Receipts				
Charges for Services	\$500,000	\$500,000	\$345,390	(\$154,610)
Intergovernmental	3,911,546	4,541,771	4,847,859	306,088
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>5,001</u>	<u>1</u>
<i>Total Receipts</i>	4,416,546	5,046,771	5,198,250	151,479
Disbursements				
Current:				
Human Services	<u>5,055,975</u>	<u>5,686,543</u>	<u>5,302,428</u>	<u>384,115</u>
<i>Excess of Receipts Under Disbursements</i>	(639,429)	(639,772)	(104,178)	(232,636)
Other Financing Source				
Transfers In	<u>185,104</u>	<u>185,104</u>	<u>136,135</u>	<u>(48,969)</u>
<i>Net Change in Fund Balance</i>	(454,325)	(454,668)	31,957	486,625
<i>Fund Balance Beginning of Year</i>	81,161	81,161	81,161	0
Prior Year Encumbrances Appropriated	<u>97,975</u>	<u>97,975</u>	<u>97,975</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$275,189)</u>	<u>(\$275,532)</u>	<u>\$211,093</u>	<u>\$486,625</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,756,285	\$1,756,285	\$1,714,148	(\$42,137)
Charges for Services	232,855	232,855	227,288	(5,567)
Intergovernmental	2,110,753	2,110,753	2,515,135	404,382
Miscellaneous	948,029	948,029	888,926	(59,103)
<i>Total Receipts</i>	5,047,922	5,047,922	5,345,497	297,575
Disbursements				
Current:				
Health	6,005,927	6,493,186	6,712,423	(219,237)
<i>Net Change in Fund Balance</i>	(958,005)	(1,445,264)	(1,366,926)	78,338
<i>Fund Balance Beginning of Year</i>	1,719,827	1,719,827	1,719,827	0
Prior Year Encumbrances Appropriated	279,839	279,839	279,839	0
<i>Fund Balance End of Year</i>	<u>\$1,041,661</u>	<u>\$554,402</u>	<u>\$632,740</u>	<u>\$78,338</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Auto License and Gasoline Tax Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Charges for Services	\$309,000	\$309,000	\$140,841	(\$168,159)
Fines and Forfeitures	18,000	18,000	5,950	(12,050)
Intergovernmental	4,096,000	4,096,000	3,790,625	(305,375)
Interest	0	0	747	747
Miscellaneous	45,000	45,000	0	(45,000)
<i>Total Receipts</i>	4,468,000	4,468,000	3,938,163	(529,837)
Disbursements				
Current:				
Public Works	4,648,577	4,661,077	3,813,864	847,213
<i>Net Change in Fund Balance</i>	(180,577)	(193,077)	124,299	(1,377,050)
<i>Fund Balance Beginning of Year</i>	2,740,436	2,740,436	2,740,436	0
Prior Year Encumbrances Appropriated	103,039	103,039	103,039	0
<i>Fund Balance End of Year</i>	<u>\$2,662,898</u>	<u>\$2,650,398</u>	<u>\$2,967,774</u>	<u>(\$1,377,050)</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
*Statement of Receipts, Disbursements and Changes in
in Fund Balance - Budget and Actual (Budget Basis)*
County Home Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property Taxes	\$1,200,000	\$1,200,000	\$1,173,311	(\$26,689)
Charges for Services	162,000	162,000	143,265	(18,735)
Intergovernmental	70,335	70,335	144,970	74,635
Miscellaneous	75	75	54	(21)
<i>Total Receipts</i>	1,432,410	1,432,410	1,461,600	29,190
Disbursements				
Current:				
Human Services	1,426,388	1,466,388	1,366,983	99,405
<i>Net Change in Fund Balance</i>	6,022	(33,978)	94,617	128,595
<i>Fund Balance Beginning of Year</i>	2,384,957	2,384,957	2,384,957	0
Prior Year Encumbrances Appropriated	21,644	21,644	21,644	0
<i>Fund Balance End of Year</i>	<u>\$2,412,623</u>	<u>\$2,372,623</u>	<u>\$2,501,218</u>	<u>\$128,595</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2014

	<u>Business-Type Activities</u>		<u>Total</u>	<u>Governmental</u>
	<u>Sewer</u>	<u>Water</u>		<u>Activity-</u>
	<u>Enterprise Fund</u>	<u>Enterprise Fund</u>		<u>Internal Service</u>
				<u>Fund</u>
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$113,119	\$113,119	\$83,225
Cash in Segregated Accounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,443,527</u>
<i>Total Assets</i>	<u>\$0</u>	<u>\$113,119</u>	<u>\$113,119</u>	<u>\$1,526,752</u>
Net Position				
Unrestricted	<u>\$0</u>	<u>\$113,119</u>	<u>\$113,119</u>	<u>\$1,526,752</u>
<i>Total Net Position</i>	<u>\$0</u>	<u>\$113,119</u>	<u>\$113,119</u>	<u>\$1,526,752</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
Statement of Modified Cash Receipts, Disbursements and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities			Governmental
	Sewer Enterprise Fund	Water Enterprise Fund	Total	Activity- Internal Service Fund
Operating Receipts				
Charges for Services	\$648,441	\$738,956	\$1,387,397	\$4,413,585
Interest	0	0	0	862
Miscellaneous	11,744	526	12,270	0
<i>Total Operating Receipts</i>	<u>660,185</u>	<u>739,482</u>	<u>1,399,667</u>	<u>4,414,447</u>
Operating Disbursements				
Personal Services	85,213	87,211	172,424	0
Contractual Services	119,196	28,924	148,120	709,994
Materials and Supplies	41,663	26,272	67,935	0
Claims	0	0	0	3,328,829
Capital Outlay	113,549	339,620	453,169	0
Other	1,600	4,230	5,830	0
<i>Total Operating Disbursements</i>	<u>361,221</u>	<u>486,257</u>	<u>847,478</u>	<u>4,038,823</u>
<i>Operating Income</i>	<u>298,964</u>	<u>253,225</u>	<u>552,189</u>	<u>375,624</u>
Non-Operating Receipts and Disbursements				
Other Non-Operating Revenue	0	39,535	39,535	0
Capital Grants	0	25,000	25,000	0
Proceeds of Loans	0	124,151	124,151	0
Debt Service:				
Principal Retirement	(272,317)	(256,133)	(528,450)	0
Interest and Fiscal Charges	(212,934)	(63,433)	(276,367)	0
<i>Total Non-Operating Receipts</i>	<u>(485,251)</u>	<u>(130,880)</u>	<u>(616,131)</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	<u>(186,287)</u>	<u>122,345</u>	<u>(63,942)</u>	<u>375,624</u>
Advance In	86,003	0	86,003	0
Advance Out	(3,833)	0	(3,833)	0
Transfers In	96,000	0	96,000	0
Transfers Out	0	(103,160)	(103,160)	0
<i>Change in Net Position</i>	<u>(8,117)</u>	<u>19,185</u>	<u>11,068</u>	<u>375,624</u>
<i>Net Position Beginning of Year</i>	<u>8,117</u>	<u>93,934</u>	<u>102,051</u>	<u>1,151,128</u>
<i>Net Position End of Year</i>	<u>\$0</u>	<u>\$113,119</u>	<u>\$113,119</u>	<u>\$1,526,752</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities			Governmental Activities
	Sewer	Water	Total	Internal Service Fund
	Enterprise Fund	Enterprise Fund		
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$648,441	\$738,956	\$1,387,397	\$4,413,585
Cash Payments for Employee Services and Benefits	(85,213)	(87,211)	(172,424)	(709,994)
Cash Payments to Suppliers for Goods and Services	(276,008)	(399,046)	(675,054)	(3,328,829)
Other Operating Receipts	11,744	526	12,270	862
Other Non-Operating Revenues	0	39,535	39,535	0
<i>Net Cash Provided by Operating Activities</i>	<u>298,964</u>	<u>292,760</u>	<u>591,724</u>	<u>375,624</u>
Cash Flows from Noncapital Financing Activities:				
Advances From Other Funds	86,003	0	86,003	0
Advances to Other Funds	(3,833)	0	(3,833)	0
Transfers From Other Funds	96,000	0	96,000	0
Transfers To Other Funds	0	(103,160)	(103,160)	0
<i>Net Cash Provided by (Used for) Noncapital Activities</i>	<u>178,170</u>	<u>(103,160)</u>	<u>75,010</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:				
Loan Proceeds	0	124,151	124,151	0
Capital Grants	0	25,000	25,000	0
Principal Paid on Debt	(272,317)	(256,133)	(528,450)	0
Interest and Fiscal Charges Paid on Debt	(212,934)	(63,433)	(276,367)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(485,251)</u>	<u>(170,415)</u>	<u>(655,666)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(8,117)	19,185	11,068	375,624
<i>Cash and Cash Equivalents Beginning of Year</i>	8,117	93,934	102,051	1,151,128
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$113,119</u>	<u>\$113,119</u>	<u>\$1,526,752</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
<i>Operating Income</i>	\$298,964	\$253,225	\$552,189	\$375,624
Adjustments				
Other Non-Operating Revenues	0	39,535	39,535	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$298,964</u>	<u>\$292,760</u>	<u>\$591,724</u>	<u>\$375,624</u>

See accompanying notes to the basic financial statements
See accountant's compilation report

Perry County, Ohio
Statement of Net Position - Modified Cash Basis
Agency Funds
December 31, 2014

Assets

Equity in Pooled Cash and Cash Equivalents	\$3,084,914
Cash and Cash Equivalents in Segregated Accounts	<u>284,752</u>

<i>Total Assets</i>	<u><u>\$3,369,666</u></u>
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Net Position

Restricted for:

District Board of Health	\$1,811,360
Undivided Tax	941,952
Sheriff	154,678
County Court	130,074
Family and Children First Council	113,201
Payroll	95,963
Housing Trust	93,430
Appalachian Regional Safety Council	12,749
Workforce Investment Act Area 14	10,079
Soil and Water Conservation	3,501
Ohio Election Commission	1,430
Local Government	<u>1,249</u>

Total Net Position	<u><u>\$3,369,666</u></u>
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See accompanying notes to the financial statements
 See accountant's compilation report

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Note 1 – Reporting Entity

Perry County, Ohio (The 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. The County is governed by a board of three County Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and a Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Perry County, this includes the Perry County Board of Developmental Disabilities (BDD), Perry County Home, Children Services Board, and departments and activities that are directly operated by the elected County officials.

B. Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organizations governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In the past, the County has reported the Perry County Regional Airport Authority and PerCo, Inc. as component units. However, with the implementation of Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus", the county determined it is not misleading to exclude both component units as they do not have a measurable influence on the County's financial statements.

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies is presented as agency funds within the County's financial statements:

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Perry County Soil and Water Conservation District The Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Perry County Health Department The Department is governed by the Board of Health which oversees the operation of the Department and is elected by a regional advisory council comprising township trustees, mayors of participating municipalities, and one County Commissioner. The council adopts its own budget and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with State and federal grants applied for by the District.

Perry County Family and Children First Council The Perry County Family and Children First Council is created under Ohio Revised Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Rev. Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Humans Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. The Council's revenues will consist of operating grants along with pooled funding from other government sources. During 2014, the County made no contributions to the Council. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management.

The County participates in seven jointly governed organizations, two joint ventures, and one insurance purchasing pool. These organizations are presented in Notes 16 through 18 to the basic financial statements. These organizations are:

- Buckeye Hills Resource Conservation and Development Project
- Buckeye Hills-Hocking Valley Regional Development District
- Coshocton-Fairfield-Licking-Perry Solid Waste District
- Mental Health and Recovery Services Board of Muskingum County
- Mid Eastern Ohio Regional Council of Governments (MEORC)
- Perry County Family and Children First Council
- Local Workforce Investment Board
- Corrections Commission of Southeastern Ohio
- Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System
- County Risk Sharing Authority, Inc. (CORSA)

The financial statements exclude the following entities which perform activities within the County's boundaries for the benefit of its residents because the County is not financially accountable for these entities nor are they fiscally dependent on the County:

- Muskingum Valley Educational Service Center
- Hocking College (Perry County Branch)

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2 C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position-modified cash basis and the statement of activities-modified cash basis display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and cash disbursements. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services, if any.

The statement of net position-modified cash basis presents the cash balance of the governmental and business-type activities of the County at year-end. The statement of activities-modified cash basis compares disbursements and program receipts for each program or function of the County's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a modified cash basis or draws from the general receipts of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The County 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 County are presented in three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. The following are the County's major governmental funds:

General - The General Fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose, provided it is expended or transferred according to the general laws of Ohio.

Job and Family Services - This fund accounts for various federal and state grants as well as transfers from the General Fund restricted to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

Board of Developmental Disabilities - This fund accounts for assistance for the mentally handicapped and developmentally disabled. A county-wide property tax levy, along with federal and state grants, provides the revenues for this fund.

Auto License and Gasoline Tax - This fund accounts for State levied, shared monies derived from gasoline taxes and the sale of motor vehicle licenses. Disbursements are restricted by State law to County road and bridge repair/improvements programs.

County Home - To account for revenues for room and board as well as property taxes used to administer and operate the County Home.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose.

Proprietary Funds

The County classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's major enterprise funds:

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Sewer – This fund accounts for sanitary sewer services provided to individual and commercial users within the County. The costs of providing these services are financed primarily through user charges.

Water - The Water Fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the County. The costs of providing these services are financed primarily through user charges.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund accounts for monies received for the activities of the self insurance program for employee health benefits.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County did not have any trust funds in 2014. Agency funds are purely custodial and are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

C. Basis of Accounting

The County's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the County's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the County are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by County Commissioners at the fund, department, and object level for all funds.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

E. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Cash and cash equivalents that are held separately within departments of the County are recorded as "Cash in Segregated Accounts".

Cash that is held by Mid Eastern Ohio Regional Council of Governments (See Note 16) is recorded as "Cash with Fiscal Agents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2014, the County invested in nonnegotiable certificates of deposit, negotiable certificates of deposit, money market mutual funds, federal agency securities, municipal bonds, and STAR Ohio. Investments are reported at cost, except for STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on December 31, 2014.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2014 amounted to \$65,670, which includes \$49,062 assigned from other County funds.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the County are reported as restricted.

G. Inventory and Prepaid Items

The County reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

I. Interfund Receivables/Payables

The County reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the County's modified cash-basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 11 and 12, the employer contributions include portions for pension benefits and for postretirement health care benefits, respectively.

L. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general receipts. Transfers within governmental activities on the government-wide statements are eliminated. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

M. Long-term Obligations

The County's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither 'other financing source' or 'capital outlay' are reported at inception. Lease payments are reported when paid.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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 or enabling legislation (County resolutions).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commission remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue, therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners through resolutions or by State statute. State statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in the 2015 General Fund budget.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County 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.

O. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include activities related to urban redevelopment and housing and community development projects.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Note 3 – Changes in Accounting Principles

Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus”. GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. In the past, the County has reported the Perry County Regional Airport Authority and PerCo, Inc. as component units. Although the County implemented Governmental Accounting Standard Board (GASB) Statement No. 61, “The Financial Reporting Entity: Omnibus” in a previous year, for 2014 it was determined that it is not misleading to exclude both component units as they do not have a measurable influence on the County’s financial statements.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is (are) outstanding year end encumbrances, unreported cash and advances out. Encumbrances are treated as expenditures (budgetary basis) rather than restricted, committed, or assigned fund balance (cash basis). Fair market value adjustments, unreported cash, including cash held in agency funds on behalf of County fund are reported on the statement of modified receipts, disbursements, and changes in fund balances (cash basis), but not on the budgetary basis. Advances out are operating transactions (budget) as opposed to balance sheet transactions (cash basis).

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home
Cash Basis	\$730,189	\$266,917	(\$1,074,826)	\$216,517	\$144,837
Beginning of Year:					
GASB 31 Adjustment	(17,170)	0	0	0	0
Unrecorded Cash	1,014	0	0	0	0
Agency Fund Distribution	102,108	0	78,087	0	52,909
End of Year:					
GASB 31 Adjustment	(11,637)	0	0	0	0
Unrecorded Cash	(3,388)	(32,580)	(5,711)	0	0
Agency Fund Distribution	(109,492)	0	(84,318)	0	(57,129)
Advance Out	82,170	0	0	0	0
Encumbrances	(134,769)	(202,380)	(280,158)	(92,218)	(46,000)
Budget Basis	<u>\$639,025</u>	<u>\$31,957</u>	<u>(\$1,366,926)</u>	<u>\$124,299</u>	<u>\$94,617</u>

Note 5 – Compliance

Statutory Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the County to prepare its annual financial report in accordance with generally accepted accounting principles. However, the County prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The following accounts had expenditures plus encumbrances in excess of appropriations for the year ended December 31, 2014:

	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Excess</u>
General Fund:			
Human Services	\$446,377	\$448,300	(\$1,923)
Board of Developmental Disabilities:			
Health	6,493,186	6,712,423	(219,237)

The following fund had original appropriations in excess of original estimated revenues plus available balances for the year ended December 31, 2014:

	<u>Estimated Revenues Plus Balances</u>	<u>Appropriations plus Encumbrances</u>	<u>Excess</u>
Job and Family Services Special Revenue Fund	\$4,682,811	\$4,958,000	(\$275,189)

The following fund had final appropriations in excess of final estimated revenues plus available balances for the year ended December 31, 2014:

	<u>Estimated Revenues Plus Balances</u>	<u>Appropriations plus Encumbrances</u>	<u>Excess</u>
Job and Family Services Special Revenue Fund	\$5,313,036	\$5,588,568	(\$275,532)

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Note 6 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Job and Family Services	Board of Developmental Disabilities	Auto License and Gasoline Tax	County Home	Other Governmental Funds	Total
<u>Nonspendable:</u>							
Unclaimed monies	\$68,007	\$0	\$0	\$0	\$0	\$0	\$68,007
<u>Restricted for:</u>							
Count Home Operations	0	0	0	0	2,604,347	0	2,604,347
Job and Family Services Operations	0	446,053	0	0	0	0	446,053
Public Works	0	0	0	3,059,992	0	217,772	3,277,764
Board of Developmental Disabilities Operations	0	0	1,002,927	0	0	0	1,002,927
Mental Health Operations	0	0	0	0	0	13,648	13,648
Dog and Kennel Operations	0	0	0	0	0	43,528	43,528
Senior Center Operations	0	0	0	0	0	409,344	409,344
Capital Improvements	0	0	0	0	0	5,355	5,355
Debt Service	0	0	0	0	0	15,001	15,001
Public Safety	0	0	0	0	0	1,303,439	1,303,439
Other Human Services	0	0	0	0	0	73,189	73,189
Child Support	0	0	0	0	0	887,797	887,797
Court Operations	0	0	0	0	0	427,362	427,362
Community Development	0	0	0	0	0	71,639	71,639
Children Services Operations	0	0	0	0	0	283,030	283,030
Real Estate Assessments	0	0	0	0	0	1,392,143	1,392,143
<i>Total Restricted</i>	<u>0</u>	<u>446,053</u>	<u>1,002,927</u>	<u>3,059,992</u>	<u>2,604,347</u>	<u>5,143,247</u>	<u>12,256,566</u>
<u>Committed to:</u>							
Capital Improvements	56,434	0	0	0	0	204,886	261,320
<i>Total Committed</i>	<u>56,434</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,886</u>	<u>261,320</u>
<u>Assigned to:</u>							
2015 Appropriations	67,208	0	0	0	0	0	67,208
Purchases on Order	78,335	0	0	0	0	0	78,335
<i>Total Assigned</i>	<u>145,543</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,543</u>
<u>Unassigned:</u>	<u>5,037,819</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,037,819</u>
Total Fund Balances	<u>\$5,307,803</u>	<u>\$446,053</u>	<u>\$1,002,927</u>	<u>\$3,059,992</u>	<u>\$2,604,347</u>	<u>\$5,348,133</u>	<u>\$17,769,255</u>

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Note 7 – Deposits and Investments

Monies held by the County are classified by State statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demands on the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury bills, notes, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

- Bankers acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.
10. Fifteen percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
 11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency of instrumentality, and/or highly rated commercial paper; and
 12. One percent of the County's average portfolio in debt interest rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Other than corporate notes, commercial paper, and bankers' acceptances, an investment must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand. At year end, the County had \$178,962 in undeposited cash on hand which is included in the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents."

Cash with Fiscal Agents. At year end, the County's Board of Developmental Disabilities Special Revenue Fund had Cash with Fiscal Agents held by MEORC in the amount of \$189,193. This money cannot be disclosed by risk because it is co-mingled with other counties' monies.

Deposits. Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$40,215 of the County's bank balance of \$18,002,617 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Investments. As of December 31, 2014, the County had the following investments:

	Fair Value	Maturity	Bond Ratings	Rating Agency
Federal National Mortgage Association	\$1,001,490	3/13/2018	Aaa	Moody's
Federal Home Loan Bank	247,115	6/6/2018	Aaa	Moody's
Federal Home Loan Bank	249,603	6/19/2019	Aaa	Moody's
Federal Home Loan Bank	700,056	12/18/2019	Aaa	Moody's
Money Market Mutual Funds	430,867	7 Days	n/a	n/a
City of Lancaster, Ohio Storm Water Improvement Bond Anticipation Notes	400,860	4/7/2015	Aa3	Moody's
City of Elyria, Ohio Various Purpose Improvement Bond Anticipation Notes	600,870	6/2/2015	A1	Moody's
Greene County, Ohio General Obligation Bonds	764,090	12/1/2015	Aa2	Moody's
West Geauga, Ohio Local School District Bonds	289,848	12/1/2017	Aa3	Moody's
STAR Ohio	4,556	50 days	AAAm	Standard and Poor's
Total	<u>\$4,689,355</u>			

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the County's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the County's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

Credit Risk. The County has no investment policy that would further limit its investment choices other than what has been approved by State statute.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating services. The County has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk. Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The County places no limit on the amount it may invest in any one issuer. The following is the County's allocation as of December 31, 2014:

Investment Issuer	Percentage of Investments
Federal National Mortgage Association Note	21.36%
Federal Home Loan Bank Notes	25.52
Money Market Mutual Funds	9.29
City of Lancaster, Ohio Storm Water Improvement Bond Anticipation Notes	8.55
City of Elyria, Ohio Various Purpose Improvement Bond Anticipation Notes	12.81
Greene County, Ohio General Obligation Bonds	16.29
West Geauga, Ohio Local School District Bonds	6.18

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Note 8 – Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.50 percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Proceeds of the tax are credited to the General Fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County to the State Auditor. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Note 9 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Real property taxes which are levied in 2014 are collected in and intended to finance 2015. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility property tax revenues received in 2014 represent the collection of 2013 taxes. Public utility property taxes received in 2014 became a lien on December 31, 2013, were levied after October 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The full tax rate for all County operations for the year ended December 31, 2014, was \$17.90 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

Real Property	\$516,876,500
Public Utility Tangible Personal Property	<u>92,216,280</u>
Total Assessed Value	<u><u>\$609,092,780</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Note 10 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. Coverage provided by CORSA is as follows:

	<u>Coverage</u>	<u>Deductible</u>
General Liability	\$1,000,000	\$2,500
Law Enforcement Liability	1,000,000	2,500
Automobile Liability	1,000,000	2,500
Errors and Omissions Liability	1,000,000	2,500
Cyber Liability	1,000,000	2,500
Excess Liability	5,000,000	0
Property	55,794,840	2,500
Equipment Breakdown	100,000,000	2,500
Crime	1,000,000	2,500
Uninsured Motorists Liability	250,000	0
Medical Professional Liability	6,000,000	0

With the exception of medical coverage and worker's compensation, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from the prior year and settled claims have not exceeded this coverage in the past three years. The County pays all elected officials' bonds by statute.

For 2014, the County participated in the County Commissioners Association of Ohio Service Corporation, a worker's compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

In order to allocate the savings derived by the formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the County is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any county leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The County provides employee medical coverage through a self insured program. The County established a Medical Insurance fund (an internal service fund) to account for and finance employee health benefits. Under this program, the Medical Insurance fund provides coverage up to a maximum of \$75,000 per year for each individual. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in the past three years.

All funds of the County participate in the program and make payments to the Medical Insurance fund based on actuarial estimates of the amounts needed to pay prior and current year claims.

Note 11 – Defined Benefit Pension Plans

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percentage not to exceed two percent. For the year ended December 31, 2014, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 13 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2014, member and employer contribution rates were consistent across all three plans.

The County's 2014 contribution rate was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.1 percent of covered payroll. The portion of employers contributions used to fund pension benefits is net of post-employment health care benefits. For 2014, the portion of employer contribution allocated to health care was 2 percent for members in the Traditional Plan and the Combined Plan. Employer contribution rates are actuarially determined.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012, were \$1,468,137, \$1,583,203, and \$1,167,098, respectively. For 2014, 92.17 percent has been contributed. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$20,997 made by the County and \$14,998 made by plan members.

Note 12 – Postemployment Benefits

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to the OPERS is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local government employers contributed 14 percent of covered payroll and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2014, the portion of employer contributions allocated to health care for members in the Traditional Pension and the Combined Plan was 2 percent. Employer contribution rates are actuarially determined.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012, were \$244,696, \$121,448, and \$456,639, respectively. For 2014, 92.17 percent has been contributed. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Note 13 – Capital Leases – Lessee Disclosure

In prior years, the County entered into capitalized leases in order to provide equipment and services in order to update the efficiency of County facilities. These leases met the criteria of a capital lease as defined by the Statement of Financial Accounting Standards, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures on the statements of modified cash receipts, disbursements, and changes in fund balances for governmental funds.

On April 18, 2008, the County entered into a Lease/ Purchase Agreement with Johnson Controls in the amount of \$875,271 to be repaid over ten years with an interest rate of 5.26%. The County made principal payments during 2014 of \$90,811. The annual lease requirements to maturity are as follows:

Year Ended		
December 31,	Principal	Interest
2015	\$94,158	\$12,229
2016	97,628	8,758
2017	101,221	5,160
2018	71,221	1,455
Total	\$364,228	\$27,602

On September 19, 2008, the County entered into a Lease/ Purchase Agreement on behalf of Children Services with Johnson Controls in the amount of \$68,110 to be repaid over ten years with an interest rate of 7.02%. The County made principal payments during 2014 of \$7,020. The annual lease requirements to maturity are as follows:

Year Ended		
December 31,	Principal	Interest
2015	\$6,734	\$1,179
2016	7,688	915
2017	8,061	542
2018	6,747	154
Total	\$29,230	\$2,790

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Note 14 – Long-Term Obligations

Changes in the County's long-term obligations during the year consisted of the following:

	Principal Outstanding 12/31/2013	Additions	Deductions	Principal Outstanding 12/31/2014	Amount Due Within One Year
Governmental Activities					
<u>General Obligation Bonds:</u>					
2012 - Various Purpose Improvement Refunding Bonds - 2.0%-3.0%	\$2,315,000	\$0	\$260,000	\$2,055,000	\$275,000
Capital Lease/ Purchase Agreement					
County Buildings - 5.26%	455,039	0	90,811	364,228	94,158
Children Services - 7.02%	36,250	0	7,020	29,230	6,734
Total Capital Leases	491,289	0	97,831	393,458	100,892
<u>Ohio Water Development Authority Loan:</u>					
Home Sewer Treatment System Repair/Replacement - 0.00%	0	11,315	11,315	0	0
Total Governmental Activities	\$2,806,289	\$11,315	\$369,146	\$2,448,458	\$375,892
Business-Type Activities					
<u>Ohio Public Works Commission Loans:</u>					
1994 Thornport Water Project - 2.00%	\$65,747	\$0	\$43,611	\$22,136	\$22,136
2002 Water Systems Improvement Project - 2.00%	48,807	0	3,053	45,754	3,115
2002 Sanitary Sewer Improvements II Project - 2.00%	175,185	0	10,960	164,225	11,180
2009 Thornport-Thornville Wastewater Improvements Project - 0.00%	320,345	0	11,240	309,105	11,240
2011 Waterline Extension Phase II - 0.00%	0	46,045	767	45,278	1,535
Total Ohio Public Works Commission Loans	610,084	46,045	69,631	586,498	49,206
<u>Ohio Water Development Authority Loans:</u>					
2000 Water Line Construction - 6.41%	73,176	0	4,757	68,419	5,067
2000 Robinwood Estates Sewer Improvements - 6.03%	40,407	0	2,378	38,029	2,524
2000 Crown Wehrle Sewer Improvements - 6.03%	21,768	0	1,281	20,487	1,360
2001 Water Meter Installation - 1.50%	193,010	0	9,415	183,595	9,557
2002 Ceramic Road Area Sewers - 1.00%	509,897	0	23,806	486,091	24,045
2003 Northern Perry Sewers Phase I - 1.00%	794,763	0	36,086	758,677	36,447
2004 Waterline Extension - 1.00%	366,110	0	15,344	350,766	15,498
2004 Waterline Extension Phase 1B - 1.00%	380,830	0	15,173	365,657	15,325
2005 Waterline Extension Phase 1C - 1.00%	2,288,468	0	88,964	2,199,504	89,856
2007 Sewer Extension Phase II - 1.50%	6,954,275	0	186,566	6,767,709	191,530
2007 BORWD Waterline Extension - 1.00%	918,993	0	31,808	887,185	32,127
2010 Sewer System Design - 0.00%	258,957	0	0	258,957	0
2012 Waterline Extensions Phase II - 0.00% and 2.00%	648,925	53,106	18,241	683,790	0
2013 Waterline Extensions Phase II - 0.00%	0	25,000	25,000	0	0
Total Ohio Water Development Authority Loans	13,449,579	78,106	458,819	13,068,866	423,336
Total Business-Type Activities	\$14,059,663	\$124,151	\$528,450	\$13,655,364	\$472,542

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The Various Purpose Improvement Bonds were originally issued in 2001 in the amount of \$4,550,000, which consist of \$2,995,000 in Serial Bonds and \$1,555,000 in Term Bonds. These bonds were issued for the purpose of paying the costs of acquiring and improving a building to house personnel and functions of the Human Services Department for \$460,000; to renovate the building to house personnel and functions of the Job and Family Services Department for \$2,600,000; and to acquire the Perry County Airport and improve the water supply and water works of the Northern Perry County Sewer District for \$1,490,000. These bonds were issued for a twenty year period with a final maturity date of December 1, 2021. The bonds are collateralized by the taxing authority of the County. These bonds were refunded in 2012.

On April 18, 2012, the County issued \$2,860,000 of Various Purpose Improvement Refunding Bonds to retire \$2,775,000 of the 2001 Various Purpose Improvement Bonds. The refunding bonds were issued for a ten year period with a final maturity at December 1, 2021. The \$2,860,000 bond issue consists of serial bonds which were issued at a premium in the amount of \$59,222 and issuance costs of \$79,095.

Annual debt service requirements to maturity for the Various Purpose Improvement Bonds are as follows:

Year Ended December 31,	Principal	Interest
2015	\$275,000	\$50,275
2016	290,000	44,775
2017	275,000	38,975
2018	300,000	33,475
2019	300,000	26,725
2020-2021	615,000	27,475
Total	\$2,055,000	\$221,700

Ohio Water Development Authority (OWDA) Loans – Water Pollution Control Loan Special Revenue Fund

The Ohio Water Development Authority (OWDA) Home Sewer Treatment System Loan relates to a repair/replacement project that was mandated by the Ohio Environmental Protection Agency. The loan was repaid through principal forgiveness.

Ohio Public Works Commission (OPWC) Loans – Water Enterprise Fund

The Ohio Public Works Commission (OPWC) Thornport Water Project Loan was entered into in 1994 in the amount of \$734,000 for the purpose of financing a water improvement project in the Thornport area. The loan will be repaid in semiannual installments of \$22,354, including interest, over 20 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) Water Systems Improvement Project Loan was entered into in 2002 in the amount of \$65,903 for the purpose of financing improvements to the water system. Although the loan was entered into in 2002, the principal payments did not begin until 2007. The loan will be repaid in semiannual installments of \$2,007, including interest, over 20 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The Ohio Public Works Commission (OPWC) Waterline Extension Phase II Project Loan was entered into in 2011 for the purpose of financing an extension to the County's waterlines. The loan will be repaid in semiannual installments of \$767, including interest, over 30 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Annual debt service requirements to maturity for the remaining Ohio Public Works Commission Loans in the Water Fund are as follows:

Year Ended December 31,	Principal	Interest
2015	\$26,786	\$1,121
2016	4,712	837
2017	4,776	773
2018	4,841	708
2019	4,908	641
2020-2024	25,583	2,163
2025-2029	19,307	411
2029-2034	7,674	0
2035-2039	7,674	0
2040-2044	6,907	0
Total	\$113,168	\$6,654

Ohio Public Works Commission (OPWC) Loan – Sewer Enterprise Fund

The Ohio Public Works Commission (OPWC) Sanitary Sewer Improvements II Project Loan was entered into in 2002 in the amount of \$236,555 for the purpose of financing improvements to the sewer system. Although the loan was entered into in 2002, the principal payments did not begin until 2007. The loan will be repaid in semiannual installments of \$7,204, including interest, over 20 years. This loan is collateralized by utility receipts. The County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) Thornport – Thornville Wastewater Improvements Project Loan was entered into in 2009 in the amount of \$337,206 for the purpose of financing improvements to the sewer system. This loan will be repaid in semiannual installments of \$5,620 over twenty years and the County has agreed to set utility rates sufficient to cover OPWC debt service requirements.

Annual debt service requirements to maturity for the Ohio Public Works Commission Loans in the Sewer Fund are as follows:

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Year Ended December 31,	Principal	Interest
2015	\$22,420	\$3,229
2016	22,645	3,004
2017	22,874	2,775
2018	23,108	2,541
2019	23,346	2,303
2020-2024	120,482	7,763
2025-2029	97,953	1,473
2030-2034	56,201	0
2035-2039	56,201	0
2040-2042	28,100	0
Total	\$473,330	\$23,088

Ohio Water Development Authority (OWDA) Loans – Water Enterprise Fund

The Ohio Water Development Authority (OWDA) Water Line Construction Loan relates to the extension of water lines of the water system. This loan will be repaid in semiannual installments of \$4,686, including interest, over twenty five years. In 2004, OWDA lowered the principal amount of this loan by \$6,493. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements. In 2005, late fees of \$79 were added to the total principal amount of this loan and subsequently paid within in the year.

The Ohio Water Development Authority (OWDA) Water Meter Installation Loan relates to a loan to install water meters in the Northern Perry County Water District. This loan will be paid in semiannual installments of \$6,138, including interest, over thirty years. In 2004, late fees of \$51 were added to the total principal amount of this loan and subsequently paid within in the year. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Waterline Extension, Waterline Extension Phase 1B, Waterline Extension Phase 1C, and BORWD Waterline Extension Loans relates to planning loans for extending water lines. These loans will be paid in semiannual installments of \$9,483, \$9,472, \$55,813, and \$20,459 respectively, including interest, over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of these notes.

The Ohio Water Development Authority (OWDA) Waterline Extension Phase II Loan relates to the extension of Waterlines. The loan will be repaid in semiannual installments over thirty years. The County has agreed to set utility rates sufficient to cover the debt service requirements of this note. As of December 31, 2014, no amortization schedule has been established. Also, part of the Waterline Extension Phase II project is the loan program in which the proceeds received each year from OWDA are forgiven within the same year by OWDA; therefore, as of year end, there is no outstanding balance for this loan program.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$5,114,362 in OWDA loans issued from 2000 to 2014. Proceeds from these loans provided financing for various water projects. The loans are payable solely from customer net revenues and are payable through 2039. Net revenues include all revenues received by the water utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in year the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$4,572,768. Principal and interest payments for the current year were \$270,076, net revenues were \$441,385, and total revenues were \$927,642.

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

Year Ended December 31,	Principal	Interest
2015	\$167,430	\$44,674
2016	169,436	42,669
2017	171,480	40,623
2018	173,566	54,507
2019	175,694	36,410
2020-2024	911,991	148,527
2025-2029	918,449	95,200
2030-2034	929,409	47,420
2035-2039	437,671	7,612
Total	\$4,055,126	\$517,642

Ohio Water Development Authority (OWDA) Loans – Sewer Enterprise Fund

The Ohio Water Development Authority (OWDA) Robinwood Estates Sewer Improvement Loan relates to a project to reline the sanitary sewers serving the Robinwood Estates Subdivision. This loan will be repaid in semiannual installments of \$2,390, including interest, over twenty five years. In 2004, late fees of \$37 were added to the total principal amount of this loan and subsequently paid within in the year. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Crown Wehrle Sewer Improvements Loan is for improvements at the wastewater treatment plant mandated by the Ohio Environmental Protection Agency. This loan will be repaid in annual installments of \$1,287, including interest, over twenty five years. In 2004, OWDA lowered the principal amount of this loan by \$7,335. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Ceramic Road Area Sewers Loan relates to a project to construct a conventional gravity collection system and sewage treatment plant in the Ceramic Road area. This loan will be repaid in semiannual installments of \$14,423, including interest, over thirty years. In 2005, late fees of \$66 were added to the total principal amount of this loan and subsequently paid within in the year. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Northern Perry Sewers Phase I Loan relates to the construction of collection sewers to serve the northern part of the County surrounding Thornport. This loan will be repaid in semiannual installments of \$21,972, including interest, over the next twenty nine years. In 2005, late fees of \$101 were added to the total principal amount of this loan and subsequently paid within in the year. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

The Ohio Water Development Authority (OWDA) Sewer Extension Phase II Loan relates to a project for the installation of sewage lines located in the Buckeye Lake vicinity and the sewage will be sent to the Crown Wehrle Wastewater Treatment Plant. This loan will be repaid in semiannual installments of \$189,729, including interest, over the next thirty years. The County has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Water Development Authority (OWDA) Sewer System Design relates to a project for the installation of sewage lines located in the Moore's Junction area. As of December 31, 2014, the County had drawn down \$258,957 which still was outstanding at December 31, 2014. This loan will be repaid over thirty years and the County has agreed to set utility rates sufficient to cover OWDA debt service requirements. No amortization schedule is available at this time.

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$8,826,739 in OWDA loans issued from 2001 to 2014. Proceeds from these loans provided financing for various water projects. The loans are payable solely from customer net revenues and are payable through 2039. Net revenues include all revenues received by the sewer utility less all operating expenses. Annual principal and interest payments on the loans are compared to net future revenues are not estimable but are expected to be less than net revenues in year the loans are outstanding. The total principal and interest remaining to be paid on the loans is \$10,976,097. Principal and interest payments for the current year were \$459,602, net revenues were \$287,220, and total revenues were \$648,441.

The OWDA loans listed above, except for the Wastewater Treatment Design Loan, are not included in the following amortization schedule since OWDA has not established a payment schedule. Amortization of the above debt, including interest, is scheduled as follows, except for those OWDA notes without payment schedules:

Year Ended December 31,	Principal	Interest
2015	\$255,906	\$203,696
2016	261,867	197,734
2017	268,007	191,592
2018	274,334	185,267
2019	280,853	178,748
2020-2024	1,509,265	808,333
2025-2029	1,672,593	616,589
2030-2034	1,793,468	380,555
2035-2039	1,754,700	142,590
Total	\$8,070,993	\$2,905,104

Capital Leases

Capital leases will be paid from the General and Children's Services Special Revenue Funds.

Debt Margin

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to \$6,000,000 plus two and one-half percent of the amount of the tax valuation in excess of \$300,000,000. The County's total debt margin was \$11,687,321 and the unvoted debt margin was \$4,050,929 at December 31, 2014.

Perry County, Ohio
Notes to the Basic Financial Statements
 December 31, 2014

Note 15 – Transfers and Advances

At December 31, 2014, the Sewer and Other Nonmajor Governmental Funds owed the General Fund \$513,036 due to lags between the dates transactions recorded in the accounting system and payments between funds were made.

Advances for the year ended December 31, 2014, consisted of the following:

	Advance from		
		Other Nonmajor	
Advance to	General	Governmental	Total
General	\$0	\$240,889	\$240,889
Other Nonmajor			
Governmental	556,933	0	556,933
Sewer Enterprise Fund	86,003	0	86,003
Total	\$642,936	\$240,889	\$883,825

Also, short term loans were advanced from the General Fund to the Juvenile Capital Projects Fund and the Sewer Enterprise Fund.

Interfund transfers for the year ended December 31, 2014, consisted of the following:

	Transfer from		
		Water	
Transfer to	General	Enterprise	Total
	Fund	Fund	
Major Funds:			
Job and Family Services	\$136,135	\$0	\$136,135
Other Non-Major			
Governmental Funds	208,214	103,160	311,374
Sewer Enterprise Fund	96,000	0	96,000
Total All Funds	\$440,349	\$103,160	\$543,509

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Note 16 – Jointly Governed Organizations

A. Buckeye Hills Resource Conservation and Development Project

The Buckeye Hills Resource Conservation and Development Project (Project) was organized to lead local efforts directed toward improving social and economic conditions of the Buckeye Hills RC&D Area through development, conservation, and proper use of all the resources of the area. The Project serves Athens, Belmont, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Project is governed by an executive council. The council is composed of one County Commissioner from each county, one member from the Soil and Water Conservation District of each county, a representative chosen jointly by the county commissioners and Soil and Water Conservation Districts of each county, a member from the Muskingum Watershed Conservancy District, and one member from the Rush Creek Conservancy District. The council exercises total control over the operations of the Project including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the council. During 2014, the Council received \$400 in membership fees from Perry County. The continued existence of the Project is not dependent on the County's continued participation and no equity interest exists. Financial information can be obtained by contacting the Project at 344 Muskingum Drive – Suite A, Marietta, Ohio 45750.

B. Buckeye Hills-Hocking Valley Regional Development District

The Buckeye Hills-Hocking Valley Regional Development District (District) serves Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The District was created to foster a cooperative effort in regional planning, programming, and the implementing of regional plans and programs. The District is currently governed by a thirty five member board of directors, with the number of directors changing with each official U.S. Census of Population. The Board is composed of city, county, and private citizen representation. Representation is currently the mayor of each city maintaining membership and one county commissioner from each county maintaining membership, with additional public official representation and private citizens appointed by the respective political bodies based upon population. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The District receives Title III monies directly. During 2014, the County contributed \$500 to the District. The continued existence of the Project is not dependent on the County's continued participation and no equity interest exists. Financial information can be obtained by contacting the Buckeye Hills-Hocking Valley Regional Development District office at 1400 Pike Street, Marietta, Ohio 45750.

C. Coshocton-Fairfield-Licking-Perry Solid Waste District

The County is a member of the Coshocton-Fairfield-Licking-Perry Solid Waste District (District). The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code. The District is governed and operated through three groups. A twelve member board of directors, composed of three commissioners from each county, is responsible for the District's financial matters. Financial records are maintained by the Licking County Auditor. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no additional contributions from the County are anticipated. A twenty-five member policy committee, composed of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a sixteen-member Technical Advisory Council, whose members are appointed by the policy committee. The continued existence of the District is not dependent upon the County's continued participation. Each participant's degree of control is limited to its

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

representation on the Board. During 2014, the County had no payments to the District. No equity interest exists and no debt is outstanding. Financial information can be obtained by contacting the Coshocton-Fairfield-Licking-Perry Solid Waste District office at 675 Price Road, Newark, Ohio 43055.

D. Mental Health and Recovery Services Board of Muskingum County

The Mental Health and Recovery Services Board of Muskingum County (Board) provides alcohol, drug addiction and mental health services and programs, primarily through contracts with private and public agencies. The Board also provides forensic evaluation services to adult felony courts, and residential services to youth experiencing emotional problems which prevent them from living at home. The Board serves Coshocton, Guernsey, Morgan, Perry, Muskingum, Noble, and Perry Counties and operates under the direction of a fourteen member appointed Board. Each participating county has agreed to levy a tax within their county to assist in the operation of the Board. The Board also directly receives state and federal funding for its operations. Although the Muskingum County Auditor and Muskingum County Treasurer are responsible for fiscal control of the resources of the Board, the Board is responsible for budgeting and accounting for the resources at its disposal. Membership on the Board is based upon Ohio law. The Board exercises total control over the operations of the Program including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2014, the County only contributed tax revenue money. The continued existence of the Project is not dependent on the County's continued participation and no equity interest exists. Financial information can be obtained by contacting the Board at 1205 Newark Road, Zanesville, Ohio 43701.

E. Mid Eastern Ohio Regional Council of Governments (MEORC)

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. The Board exercises total control over the operations of the MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board. The County reports cash with fiscal agent in the amount of \$189,193 for monies held by the organization. Continued existence of the Council is not dependent on the County's continued participation, and the County has no equity interest in or financial responsibility for the Council. Financial information can be obtained by contacting the Mid East Ohio Regional Council at 1 Avalon Road, Mt. Vernon, Ohio 43050.

F. Perry County Family and Children First Council

The Perry County Family and Children First Council (Council) is a jointly governed organization created under Ohio Rev. Code Section 121.37. Permanent members of the Council are those individuals, public officials, and organizations that are mandated per Ohio Rev. Code Section 121.37. The Council may include additional permanent or temporary members from any local public or private agency or group that funds, advocates, or provides services to children. Currently, the Council is made up of representatives from the Mental Health and Recovery Services Board, the County Children Services Board, the County Juvenile Court, the County Health Department, the County Board of Developmental Disabilities, each school district within the County, the County Department of Humans Services, the Regional Office of Department of Youth Services, the City of New Lexington, the County Board of Commissioners, the County Head Start Agency, the County's Early Intervention Collaborative, and at least three individuals representing the interests of families in the County. The Perry County Auditor serves as the fiscal agent for the Council. The Perry Board of Development Disabilities serves as the administrative agent for the Council. The Board exercises total control over the operations of the Council including budgeting,

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2014, the County made no contributions to the Council. The continued existence of the Council is not dependent on the County's continued participation. No equity interest exists and no debt is outstanding. Financial information can be obtained by contacting the Council at P.O. Box 895, Logan, Ohio 43138.

G. Local Workforce Investment Board

The Area #14 Local Workforce Investment Board (LWIB) was established July 1, 2004, to aid in the integration of Ohio's workforce development, pursuant to House Bill 470 and the Federal Workforce Investment Act of 1998. This is accomplished by bringing together business, education, and labor leaders to access workforce needs of employers and training/education needs of job seekers. The LWIB is also charged with establishing fiscal control and fund account procedures to ensure the proper disbursement of an accounting for all funds received through the Workforce Investment Act. The LWIB board consists of 27 members representing the following counties: Athens, Hocking, Meigs, Perry and Vinton. Each county has a minimum of one Chief Elected Official (CEO) and his/her appointees to the board. Appointees of the CEO are local business leaders, educators, as well as State mandated representatives from the respective county. The Board exercises total control over the operations of the Board including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. During 2014, the County had no payments to the Board. Continued existence of the LWIB is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding. Financial information can be obtained by contacting the Board at P.O. Box 311, New Lexington, Ohio 43764.

Note 17 – Joint Ventures

A. Corrections Commission of Southeastern Ohio

The Corrections Commission of Southeastern Ohio (the "Commission") is a joint venture of which Athens, Hocking, Morgan, Perry and Vinton counties are members. The Commission is a body politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission was established to use the authority common to the members to develop, construct, operate, and administer a multi-county correctional center to augment county jail programs and facilities.

The Commission is directed by one commissioner from each participating county, along with the sheriff and the presiding judge of the court of common pleas of each participating county. Any of these may name other representatives to fulfill this duty. Each county is obligated to provide financial support to this entity through per diem charges and assessments that are based on the number of beds contractually assigned to each county in proportion to the total number of beds of all participating counties. Each member county is financially responsible for a portion of the capital and operating budget. During 2014, the financial responsibility was as follows: Athens County represents 30 percent, Hocking County represents 19 percent, Morgan County represents 10 percent, Perry County represents 30 percent, and Vinton County represents 11 percent.

Complete financial statements can be obtained from the Corrections Commission of Southeastern Ohio, 16677 Riverside Drive, Nelsonville, Ohio 45764. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

B. Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System

The Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention System (District) is a statutorily created political subdivision of the State. The District is a joint venture operated by Fairfield, Hocking, Licking and Perry Counties for the purpose of providing a detention home to treat juvenile offenders and their families in a community setting in such a manner as to reduce the probability of the youth reentering the juvenile justice system. Basic to the philosophy of the District is the idea that every young person is an individual who is unique and worthy of respect. The operation of the District is controlled by a joint board of commissioners consisting of three commissioners from each participating county. The joint board of commissioners exercises total control over the operation of the District, including budgeting, appropriation, contracting, and designating management. The joint board of commissioners appoints a board of twelve trustees to operate the District. The District is not accumulating significant financial resources or experiencing fiscal stress that would cause additional financial benefit to, or burden on, the counties involved.

Each county will be contributing to the District in the form of a local share as a match for the grant revenues from the Ohio Department of Youth Services. The contribution will be based on the number of children from each county who are maintained in the home during the year. In addition to the initial contribution, there will be an annual contribution by each county for operational expenses. The counties are responsible for all major capital improvements based on population of each county. The District's continued existence is dependent upon the County's participation. The County has an ongoing financial responsibility and an equity interest exists. If the County would withdraw, upon the recommendation of the County Juvenile Court Judge, it may sell or lease their interest in the District to another participating county. Each member county made contributions as follows: Fairfield County contributed 42 percent, Licking County contributed 42 percent, Hocking County contributed 8 percent, and Perry County contributed 8 percent.

Complete financial information can be obtained from the Fairfield, Hocking, Licking, and Perry Multi-County Juvenile Detention District, 923 Liberty Drive, Lancaster, Ohio 43130. Under the modified cash basis of accounting, the County does not report assets for equity interests in joint ventures.

Note 18 – Insurance Purchasing Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among thirty-nine counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. That participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in CORSA.

Perry County, Ohio
Notes to the Basic Financial Statements
December 31, 2014

Note 19 – Contingencies

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2014.

B. Litigation

The County is currently not party to any pending litigation.

Note 20 – Significant Commitments

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 amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Major Funds:	
General Fund	\$134,769
Job and Family Services Fund	202,380
Board of Developmental Disabilities Fund	280,158
Auto License and Gasoline Tax Fund	92,218
County Home Fund	46,000
Nonmajor Governmental Funds	408,510
Enterprise Funds:	
Water Fund	18,214
Sewer Fund	23,621
Total	<u>\$1,205,870</u>



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