



**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2002 & 2001



**Auditor of State
Betty Montgomery**

**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances The General Fund For the Year Ended December 31, 2002	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances The General Fund For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Perry Area Joint Economic Development Council
Lake County
3750 Center Road, P.O. Box 398
Perry, Ohio 44081

To the Board of Directors:

We have audited the accompanying financial statements of the Perry Area Joint Economic Development Council, Lake County, Ohio (the Council) as of and for the years ended December 31, 2002 and December 31, 2001. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Council prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Perry Area Joint Economic Development Council, Lake County, as of December 31, 2002 and December 31, 2001, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2003 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

June 16, 2003

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**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund
Receipts:	
Member contributions	\$ 10,000
Interest	18
Miscellaneous	36
Total Receipts	10,054
Disbursements:	
Consulting	10,000
Marketing	1,114
Insurance	1,800
Office supplies	488
Miscellaneous	65
Total Disbursements	13,467
Excess of receipts over / (under) disbursements	(3,413)
Beginning Fund Balance, January 1, 2002	7,158
Ending Fund Balance, December 31, 2002	\$ 3,745

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

**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - THE GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General Fund</u>
Receipts:	
Members	6,000
Interest	77
Miscellaneous	261
Total Receipts	<u>6,338</u>
Disbursements:	
Consulting	10,000
Marketing	799
Insurance	1,500
Office supplies	473
Miscellaneous	443
Total Disbursements	<u>13,215</u>
Excess of receipts over / (under) disbursements	(6,877)
Beginning Fund Balance, January 1, 2001	<u>14,035</u>
Ending Fund Balance, December 31, 2001	<u><u>\$ 7,158</u></u>

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

**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Perry Area Joint Economic Development Council, Lake County, Ohio, (the Council) is a Community Improvement Corporation that was incorporated on August 14, 1995 under the authority of Ohio Rev. Code § 1702.01. The Council is comprised of Perry Township, North Perry Village, Perry Village and the Perry School District. The Council operates under an appointed eight-member, two from each entity, Board of Directors. The Council was formed to advance, encourage and promote the industrial, economic, commercial and civic development of the area. Each member provides membership dues to the Council in accordance with a formula based on their operating budget.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Cash Equivalents

The Council's cash and cash equivalents consist of an interest bearing checking and savings account.

D. Fund Accounting

The Council uses fund accounting to segregate cash and cash equivalents that are restricted as to use. The Council classifies its fund into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(CONTINUED)**

2. EQUITY IN POOLED CASH

The Council maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	<u>\$ 3,745</u>	<u>\$ 7,158.</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Council has obtained a surety bond for the Director.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Perry Area Joint Economic Development Council
Lake County
3750 Center Road, P.O. Box 398
Perry, Ohio 44081

To the Board of Directors:

We have audited the financial statements of the Perry Area Joint Economic Development Council, Lake County, Ohio (the Council) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated June 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Perry Area Joint Economic Development Council
Lake County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 16, 2003



**Auditor of State
Betty Montgomery**

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PERRY AREA JOINT ECONOMIC DEVELOPMENT COUNCIL

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 8, 2003**