



**PERRY AREA RECREATION BOARD
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY AREA RECREATION BOARD
LAKE COUNTY**

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Report of Independent Accountants

Board of Trustees
Perry Area Recreation Board
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

We have audited the accompanying financial statements of the Perry Area Recreation Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Board 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 and reserves for encumbrances of the Perry Area Recreation Board, Lake County, Ohio, as of December 31, 2000 and December 31, 1999, 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 April 10, 2001 on our consideration of the Board'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 audit.

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

Jim Petro
Auditor of State

April 10, 2001

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**PERRY AREA RECREATION BOARD
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCE - THE GENERAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>
Cash Receipts:	
Member Contributions	\$30,300
Charges for Services	<u>46,672</u>
Total Cash Receipts	<u>76,972</u>
Cash Disbursements:	
Salaries and Fringe Benefits	6,200
Supplies and Materials	15,147
Contractual Services	39,807
Equipment	8,858
Miscellaneous	<u>8,166</u>
Total Cash Disbursements	<u>78,178</u>
Excess of Cash Receipts (Under) Cash Disbursements	(1,206)
Beginning Cash Fund Balance, January 1, 2000	<u>14,895</u>
Ending Cash Fund Balance, December 31, 2000	<u>\$13,689</u>
Reserve for Encumbrances, December 31, 2000	<u>\$1,675</u>

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

**PERRY AREA RECREATION BOARD
LAKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES
IN FUND CASH BALANCE - THE GENERAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash Receipts:	
Member Contributions	\$30,300
Charges for Services	48,963
Total Cash Receipts	79,263
Cash Disbursements:	
Salaries and Fringe Benefits	4,888
Supplies and Materials	19,913
Contractual Services	41,922
Equipment	7,741
Miscellaneous	7,854
Total Cash Disbursements	82,318
Excess of Cash Receipts (Under) Cash Disbursements	(3,055)
Beginning Cash Fund Balance, January 1, 1999	17,950
Ending Cash Fund Balance, December 31, 1999	\$14,895
Reserve for Encumbrances, December 31, 1999	\$1,024

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

**PERRY AREA RECREATION BOARD
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Perry Area Recreation Board, Lake County, Ohio, (the Board) is a Community Recreation Board established under the authority of Ohio Rev. Code Section 755.14. The Board is comprised of Perry Township, North Perry Village, Perry Village and the Perry School District. The Board is directed by a five-member Board of Trustees, two members are appointed by the School District and one from each of the other entities. The Board was formed to promote and provide joint recreation programs for the area. Each member provides membership dues to the Board in accordance with a formula based on their operating budget.

The Board's management believes these financial statements present all activities for which the Board 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.

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

C. Cash and Cash Equivalents

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

D. Fund Accounting

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

General Fund

The General Fund is the general operating fund and 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 RECREATION BOARD
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

2. EQUITY IN POOLED CASH

The Board 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, 2000 and at December 31, 1999 were as follows:

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$13,689</u>	<u>\$14,895</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Board has obtained commercial insurance for liability insurance.



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**Report on Compliance and on Internal Control Required by
Government Auditing Standards**

Board of Trustees
Perry Area Recreation Board
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

We have audited the financial statements of the Perry Area Recreation Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 10, 2001. We conducted our audits in accordance with generally accepted auditing standards 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 Board'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 audits 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 audits, we considered the Board'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 controls over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal controls 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 statement 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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Board in a separate letter dated April 10, 2001.

Perry Area Recreation Board
Lake County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

April 10, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PERRY AREA RECREATION BOARD

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
MAY 17, 2001**