



**VILLAGE OF NORTH PERRY  
LAKE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF NORTH PERRY  
LAKE COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of North Perry  
Lake County  
4449 Lockwood Road  
Perry, Ohio 44081

To the Village Council:

We have audited the accompanying financial statements of the Village of North Perry, Lake County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Village'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 Village 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 combined fund cash balances and reserves for encumbrances of the Village of North Perry, Lake County, Ohio, as of December 31, 2000 and December 31, 1999, and its combined 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 18, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Village Council 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.

**Jim Petro**  
Auditor of State

June 18, 2001

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**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

|  | <u>Governmental Fund Types</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |                             |   |
| Property Tax and Other Local Taxes   | \$1,827,298                    | \$0                        | \$0                         | \$1,827,298                             |
| Special Assessments  | 0                              | 0                          | 104                         | 104                                     |
| Intergovernmental Receipts   | 190,325                        | 22,081                     | 0                           | 212,406                                 |
| Charges for Services   | 2,205                          | 0                          | 0                           | 2,205                                   |
| Fines, Licenses, and Permits   | 1,100                          | 0                          | 0                           | 1,100                                   |
| Earnings on Investments  | 682,911                        | 21,071                     | 0                           | 703,982                                 |
| Miscellaneous  | 17,024                         | 0                          | 0                           | 17,024                                  |
|  | <u>2,720,863</u>               | <u>43,152</u>              | <u>104</u>                  | <u>2,764,119</u>                        |
| <b>Total Cash Receipts</b>   |                                |                            |                             |   |
| <b>Cash Disbursements:</b>   |                                |                            |                             |   |
| Current:   |                                |                            |                             |   |
| Security of Persons and Property   | 97,441                         | 0                          | 0                           | 97,441                                  |
| Public Health Services   | 192,727                        | 0                          | 0                           | 192,727                                 |
| Leisure Time Activities  | 397,364                        | 0                          | 0                           | 397,364                                 |
| Community Environment  | 77,989                         | 0                          | 0                           | 77,989                                  |
| Basic Utility Services   | 181,089                        | 0                          | 0                           | 181,089                                 |
| Transportation   | 28,864                         | 39,255                     | 231,426                     | 299,545                                 |
| General Government   | 346,410                        | 0                          | 0                           | 346,410                                 |
| Capital Outlay   | 0                              | 0                          | 361,608                     | 361,608                                 |
|  | <u>1,321,884</u>               | <u>39,255</u>              | <u>593,034</u>              | <u>1,954,173</u>                        |
| <b>Total Disbursements</b>   |                                |                            |                             |   |
| Total Receipts Over/(Under) Disbursements  | <u>1,398,979</u>               | <u>3,897</u>               | <u>(592,930)</u>            | <u>809,946</u>                          |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                            |                             |   |
| Transfers-In   | 0                              | 350,000                    | 436,736                     | 786,736                                 |
| Transfers-Out  | (786,736)                      | 0                          | 0                           | (786,736)                               |
|  | <u>(786,736)</u>               | <u>350,000</u>             | <u>436,736</u>              | <u>0</u>                                |
| <b>Total Other Financing Receipts/(Disbursements)</b>  |                                |                            |                             |   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 612,243                        | 353,897                    | (156,194)                   | 809,946                                 |
| Fund Cash Balances January 1, 2000   | <u>6,382,837</u>               | <u>337,186</u>             | <u>2,359,015</u>            | <u>9,079,038</u>                        |
| <b>Fund Cash Balances, December 31, 2000</b>   | <b><u>\$6,995,080</u></b>      | <b><u>\$691,083</u></b>    | <b><u>\$2,202,821</u></b>   | <b><u>\$9,888,984</u></b>               |
| Reserves for Encumbrances, December 31, 2000   | <u>\$67,219</u>                | <u>\$275,745</u>           | <u>\$19,597</u>             | <u>\$362,561</u>                        |

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

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - THE FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

|   | <b>Fiduciary<br/>Fund Type</b> |
|---|--------------------------------|
|   | <b>Agency</b>                  |
| <b>Non-Operating Cash Receipts:</b>           |                                |
| Rental Deposits                               | \$5,800                        |
| Total Non-Operating Cash Receipts             | 5,800                          |
| <b>Non-Operating Cash Disbursements:</b>      |                                |
| Rental Refunds                                | 5,670                          |
| Total Non-Operating Cash Disbursements        | 5,670                          |
| Excess of Receipts Over/(Under) Disbursements | 130                            |
| Fund Cash Balances, January 1, 2000           | 3,863                          |
| <b>Fund Cash Balances, December 31, 2000</b>  | <b>\$3,993</b>                 |
| Reserve for Encumbrances, December 31, 2000   | \$200                          |

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



**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|   | <u>Governmental Fund Types</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|----------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>   |                                |                            |                             |   |
| Property Tax and Other Local Taxes  | \$1,866,914                    | \$0                        | \$0                         | \$1,866,914                             |
| Special Assessments   | 0                              | 0                          | 0                           | 0                                       |
| Intergovernmental Receipts  | 196,055                        | 22,071                     | 0                           | 218,126                                 |
| Charges for Services  | 0                              | 0                          | 0                           | 0                                       |
| Fines, Licenses, and Permits  | 4,476                          | 0                          | 0                           | 4,476                                   |
| Earnings on Investments   | 364,216                        | 14,462                     | 0                           | 378,678                                 |
| Miscellaneous   | 2,967                          | 0                          | 0                           | 2,967                                   |
|   | <u>2,434,628</u>               | <u>36,533</u>              | <u>0</u>                    | <u>2,471,161</u>                        |
| <b>Total Cash Receipts</b>  |                                |                            |                             |   |
| <b>Cash Disbursements:</b>  |                                |                            |                             |   |
| Current:  |                                |                            |                             |   |
| Security of Persons and Property  | 79,020                         | 0                          | 0                           | 79,020                                  |
| Public Health Services  | 181,977                        | 0                          | 0                           | 181,977                                 |
| Leisure Time Activities   | 274,616                        | 0                          | 0                           | 274,616                                 |
| Community Environment   | 28,916                         | 0                          | 0                           | 28,916                                  |
| Basic Utility Services  | 160,963                        | 0                          | 0                           | 160,963                                 |
| Transportation  | 126,513                        | 0                          | 0                           | 126,513                                 |
| General Government  | 235,314                        | 0                          | 0                           | 235,314                                 |
| Capital Outlay  | 0                              | 0                          | 316,197                     | 316,197                                 |
|   | <u>1,087,319</u>               | <u>0</u>                   | <u>316,197</u>              | <u>1,403,516</u>                        |
| <b>Total Disbursements</b>  |                                |                            |                             |   |
|   | <u>1,087,319</u>               | <u>0</u>                   | <u>316,197</u>              | <u>1,403,516</u>                        |
| <b>Total Receipts Over/(Under) Disbursements</b>  | <u>1,347,309</u>               | <u>36,533</u>              | <u>(316,197)</u>            | <u>1,067,645</u>                        |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                            |                             |   |
| Transfers-In  | 0                              | 0                          | 468,410                     | 468,410                                 |
| Transfers-Out   | (468,410)                      | 0                          | 0                           | (468,410)                               |
|   | <u>(468,410)</u>               | <u>0</u>                   | <u>468,410</u>              | <u>0</u>                                |
| <b>Total Other Financing Receipts/(Disbursements)</b>   |                                |                            |                             |   |
|   | <u>(468,410)</u>               | <u>0</u>                   | <u>468,410</u>              | <u>0</u>                                |
| <b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b> | <u>878,899</u>                 | <u>36,533</u>              | <u>152,213</u>              | <u>1,067,645</u>                        |
| <b>Fund Cash Balances January 1, 1999</b>   | <u>5,503,938</u>               | <u>300,653</u>             | <u>2,206,802</u>            | <u>8,011,393</u>                        |
| <b>Fund Cash Balances, December 31, 1999</b>  | <u><b>\$6,382,837</b></u>      | <u><b>\$337,186</b></u>    | <u><b>\$2,359,015</b></u>   | <u><b>\$9,079,038</b></u>               |
| <b>Reserves for Encumbrances, December 31, 1999</b>   | <u><b>\$0</b></u>              | <u><b>\$0</b></u>          | <u><b>\$163,678</b></u>     | <u><b>\$163,678</b></u>                 |

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

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - THE FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|   | <b>Fiduciary<br/>Fund Type</b> |
|---|--------------------------------|
|   | <b>Agency</b>                  |
| <b>Non-Operating Cash Receipts:</b>           |                                |
| Rental Deposits                               | \$5,900                        |
| Total Non-Operating Cash Receipts             | 5,900                          |
| <b>Non-Operating Cash Disbursements:</b>      |                                |
| Rental Refunds                                | 5,850                          |
| Total Non-Operating Cash Disbursements        | 5,850                          |
| Excess of Receipts Over/(Under) Disbursements | 50                             |
| Fund Cash Balances, January 1, 1999           | 3,813                          |
| <b>Fund Cash Balances, December 31, 1999</b>  | <b>\$3,863</b>                 |

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

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of North Perry, Lake County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), rubbish collection, zoning, road maintenance, cable television and police services.

The Village's management believes these financial statements present all activities for which the Village 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

The certificates of deposit, U.S. Treasury Notes, Federal National Management Association Notes, Federal Home Loan Bank Bonds, and Federal Home Loan Mortgage Corporation Bonds, are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains at the time of sale are recorded as receipts.

**D. Fund Accounting**

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

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money which is used for constructing, maintaining and repairing Village streets.

**Capital Project Funds**

These funds are used to account for disbursements that are restricted for the payment of major capital projects. The Village had the following significant Capital Project Fund:

Capital Project II Fund - This fund is used to account for the repair and maintenance of the Village's driveways.

**Fiduciary Fund (Agency Fund)**

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Fund:

Rental Deposit Fund - This fund is used to account for security deposits received and returned for rental of the Village Hall.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

|  | <u>2000</u>         | <u>1999</u>         |
|--|---------------------|---------------------|
| Demand deposits                              | \$ 419,073          | \$ 116,634          |
| Certificates of deposit                      | <u>5,800,000</u>    | <u>3,400,000</u>    |
| Total deposits                               | <u>6,219,073</u>    | <u>3,516,634</u>    |
| U. S. Treasury Notes                         | 521,797             | 521,797             |
| Federal National Mortgage Association Notes  | 500,000             | 500,000             |
| Federal Home Loan Bank Bonds                 | 1,097,955           | 993,405             |
| Federal Home Loan Mortgage Corporation Bonds | 993,492             | 495,055             |
| STAR Ohio                                    | <u>560,660</u>      | <u>3,056,010</u>    |
| Total investments                            | <u>3,673,904</u>    | <u>5,566,267</u>    |
| Total deposits and investments               | <u>\$ 9,892,977</u> | <u>\$ 9,082,901</u> |

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Investments:** U.S. Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Bonds, and the Federal Home Loan Mortgage Corporation Bonds are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities. The investment in STAR Ohio is not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 was as follows:

| 2000 Budgeted vs. Actual Receipts |                      |                    |            |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance   |
| General                           | \$ 2,111,063         | \$ 2,720,863       | \$ 609,800 |
| Special Revenue                   | 33,000               | 393,152            | 360,152    |
| Capital Projects                  | 470,000              | 436,840            | (33,160)   |
| Fiduciary                         | 8,300                | 5,800              | (2,500)    |
| Total                             | \$ 2,622,363         | \$ 3,556,655       | \$ 934,292 |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |              |
|---|----------------------------|---------------------------|--------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance     |
| General   | \$ 4,075,000               | \$ 2,175,839              | \$ 1,899,161 |
| Special Revenue                                       | 315,000                    | 315,000                   | 0            |
| Capital Projects                                      | 2,413,845                  | 612,631                   | 1,801,214    |
| Fiduciary   | 11,664                     | 5,870                     | 5,794        |
| Total   | \$ 6,815,509               | \$ 3,109,340              | \$ 3,706,169 |

| 1999 Budgeted vs. Actual Receipts |                      |                    |            |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance   |
| General                           | \$ 2,151,432         | \$ 2,434,628       | \$ 283,196 |
| Special Revenue                   | 30,000               | 36,533             | 6,533      |
| Capital Projects                  | 360,000              | 468,410            | 108,410    |
| Fiduciary                         | 10,100               | 5,900              | (4,200)    |
| Total                             | \$ 2,551,532         | \$ 2,945,471       | \$ 393,939 |

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |              |
|---|----------------------------|---------------------------|--------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance     |
| General   | \$ 4,075,000               | \$ 1,555,729              | \$ 2,519,271 |
| Special Revenue                                       | 315,000                    | 0                         | 315,000      |
| Capital Projects                                      | 2,402,604                  | 479,875                   | 1,922,729    |
| Fiduciary   | 13,250                     | 5,850                     | 7,400        |
| Total   | \$ 6,805,854               | \$ 2,041,454              | \$ 4,764,400 |

**4. RETIREMENT SYSTEMS**

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. The Village's PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Village has paid all contributions required through December 31, 2000.

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

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

**VILLAGE OF NORTH PERRY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000  
(Continued)**

**6. INCOME TAX**

The Village levies an income tax of 1.0 percent on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a 100 percent credit on the income earned outside the Village and paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by CCA and remitted to the Village monthly.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Public official's liability

The Village also provides health insurance, dental and life insurance coverage to full-time employees through a private carrier.





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

Village of North Perry  
Lake County  
4449 Lockwood Road  
Perry, Ohio 44081

To the Village Council:

We have audited the accompanying financial statements of the Village of North Perry, Lake County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 18, 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 Village'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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated June 18, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Village'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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 18, 2001.

Village of North Perry  
Lake County  
Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 18, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**VILLAGE OF NORTH PERRY**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 10, 2001**