

**VILLAGE OF PERRY**

**PERRY, OHIO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2000 AND 1999**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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The Honorable Lee Lydic  
and Members of Village of Perry Council  
Perry, Ohio

We have reviewed the Independent Auditor's Report of Village of Perry, Lake County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Perry is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State


April 4, 2001

**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
DECEMBER 31, 2000 AND 1999**

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**Report of Independent Accountants**



The Honorable Lee Lydic  
and Members of Village of Perry Council  
Lake County  
P.O. Box 100  
3758 Center Road  
Perry, OH 44081

We have audited the accompanying financial statements of the Village of Perry, Lake County, Ohio (the "Village") as of and for the years ended December 31, 2000 and 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 discussed in the notes to the financial statements, 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 Perry, Lake County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in the notes to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 19, 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 the Village Council, management and Auditor of State of Ohio and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended and should not be used by anyone other than these specific parties.

*S.R. Snodgrass, A.C.*

Mentor, Ohio  
February 19, 2001

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Agency Fund	Total (Memorandum Only)
<b>CASH RECEIPTS</b>						
Local taxes	\$ 354,995	\$ 53,216	\$ 144,136	\$ -	\$ -	\$ 552,347
Intergovernmental	255,882	102,751	-	-	-	358,633
Fines and forfeits	12,834	476	-	-	-	13,310
Fees, licenses and permits	1,852	-	-	-	-	1,852
Interest	20,764	-	-	-	-	20,764
Miscellaneous	25,795	1,330	-	19,549	13,775	60,449
Total cash receipts	<u>672,122</u>	<u>157,773</u>	<u>144,136</u>	<u>19,549</u>	<u>13,775</u>	<u>1,007,355</u>
<b>CASH DISBURSEMENTS</b>						
Security of person and property	143,112	61,405	-	-	-	204,517
Public health services	4,272	22,946	-	-	-	27,218
Transportation	47,216	9,006	-	-	-	56,222
Fringe benefits	1,691	-	-	-	-	1,691
Material and supplies	340,798	13,014	-	-	-	353,812
Contractual services	37,445	22,486	-	-	-	59,931
Personal services	19,347	-	-	-	-	19,347
General government	78,402	-	-	-	-	78,402
Debt service						
Principal	-	-	126,000	-	-	126,000
Interest	-	-	2,916	-	-	2,916
Miscellaneous	-	-	-	-	13,276	13,276
Total program disbursements	<u>672,283</u>	<u>128,857</u>	<u>128,916</u>	<u>-</u>	<u>13,276</u>	<u>943,332</u>
Total receipts over (under) program disbursements	<u>(161)</u>	<u>28,916</u>	<u>15,220</u>	<u>19,549</u>	<u>499</u>	<u>64,023</u>
<b>OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>						
Transfer out	(8,036)	-	-	-	-	(8,036)
Transfer in	-	8,036	-	-	-	8,036
Advance out	-	-	(135,663)	(30,554)	-	(166,217)
Advance in	166,217	-	-	-	-	166,217
Total other financing receipts (disbursements)	<u>158,181</u>	<u>8,036</u>	<u>(135,663)</u>	<u>(30,554)</u>	<u>-</u>	<u>-</u>
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	<u>158,020</u>	<u>36,952</u>	<u>(120,443)</u>	<u>(11,005)</u>	<u>499</u>	<u>64,023</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>500,255</u>	<u>179,430</u>	<u>133,408</u>	<u>11,005</u>	<u>536</u>	<u>824,634</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 658,275</u>	<u>\$ 216,382</u>	<u>\$ 12,965</u>	<u>\$ -</u>	<u>\$ 1,035</u>	<u>\$ 888,657</u>
<b>RESERVE FOR ENCUMBRANCES - END OF YEAR</b>	<u>\$ 56,432</u>	<u>\$ 18,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,802</u>

The accompanying notes are an integral part of the financial statements.

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Agency Fund	Total (Memorandum Only)
<b>CASH RECEIPTS</b>						
Local taxes	\$ 276,556	\$ 65,802	\$ 123,650	\$ -	\$ -	\$ 466,008
Intergovernmental	245,860	79,350	-	-	-	325,210
Fines and forfeits	12,018	160	-	-	-	12,178
Fees, licenses and permits	1,831	-	-	-	-	1,831
Interest	11,131	-	-	-	-	11,131
Miscellaneous	17,624	1,400	-	55,224	11,466	85,714
Total cash receipts	<u>565,020</u>	<u>146,712</u>	<u>123,650</u>	<u>55,224</u>	<u>11,466</u>	<u>902,072</u>
<b>CASH DISBURSEMENTS</b>						
Security of person and property	153,689	37,724	-	-	-	191,413
Public health services	9,066	5,725	-	-	-	14,791
Transportation	43,706	948	-	-	-	44,654
Fringe benefits	1,929	-	-	-	-	1,929
Material and supplies	193,996	14,761	-	-	-	208,757
Contractual services	43,001	24,112	-	-	-	67,113
Personal services	23,059	-	-	-	-	23,059
General government	61,485	-	-	-	-	61,485
Debt service						
Principal	-	-	-	300,000	-	300,000
Interest	-	-	5,040	6,960	-	12,000
Miscellaneous	-	-	2,050	-	12,560	14,610
Total program disbursements	<u>529,931</u>	<u>83,270</u>	<u>7,090</u>	<u>306,960</u>	<u>12,560</u>	<u>939,811</u>
Total receipts over (under) program disbursements	<u>35,089</u>	<u>63,442</u>	<u>116,560</u>	<u>(251,736)</u>	<u>(1,094)</u>	<u>(37,739)</u>
<b>OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>						
Proceeds from notes	-	-	-	126,000	-	126,000
Transfer out	(135,122)	-	-	-	-	(135,122)
Transfer in	-	6,138	-	128,984	-	135,122
Advance out	(6,380)	-	-	-	-	(6,380)
Advance in	-	6,380	-	-	-	6,380
Total other financing receipts (disbursements)	<u>(141,502)</u>	<u>12,518</u>	<u>-</u>	<u>254,984</u>	<u>-</u>	<u>126,000</u>
Excess of cash receipts and other financing receipts over (under) cash disbursements and other financing disbursements	<u>(106,413)</u>	<u>75,960</u>	<u>116,560</u>	<u>3,248</u>	<u>(1,094)</u>	<u>88,261</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>606,668</u>	<u>103,470</u>	<u>16,848</u>	<u>7,757</u>	<u>1,630</u>	<u>736,373</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 500,255</u>	<u>\$ 179,430</u>	<u>\$ 133,408</u>	<u>\$ 11,005</u>	<u>\$ 536</u>	<u>\$ 824,634</u>
<b>RESERVE FOR ENCUMBRANCES - END OF YEAR</b>	<u>\$ 44,095</u>	<u>\$ 2,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,913</u>

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Entity** – The Village of Perry, Lake County (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 maintenance of roads, zoning, safety services and police protection.

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

**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.

**Cash** – All cash is held in an interest-bearing commercial checking account.

**Fund Accounting** – The Village uses fund accounting to segregate cash that is 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 by law or contract to be restricted.

**Special Revenue Fund**

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

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

Road and Bridge, Maintenance and Repair Fund – This fund receives personal property tax for constructing, repairing and maintaining Village roads and bridges.

Cops Grant Fund - This Fund receives moneys from the Department of Justice, State of Ohio and the Village for salary and benefits of police officers.

School Resource Officer (SRO) Grant Fund - this Fund receives money from the Department of Justice for salary and benefits of a school resource officer.

**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following capital project fund.

Village Hall Construction Fund – Received proceeds of bond anticipation notes and municipal income tax revenue. The proceeds were used to construct a new Village Hall.

**Debt Service Funds**

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness relating to the water system.

**Agency Fund**

Funds for which the Village of Perry is acting in an agency capacity are classified as Agency Funds. The Village reports the Mayor's Court as an Agency Fund.

**Budgetary Process** - The Ohio Revised Code requires that each fund, except certain agency funds, be budgeted annually.

**Appropriations** – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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.

**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 another Note.

**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.

**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.



**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**EQUITY IN POOLED CASH**

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribed allowable deposits and investments. The carrying amount of cash and investments at June 30 was as follows:

	2000	1999
Demand deposits	\$ 888,657	\$ 824,634

**Deposits** - Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**BUDGETARY ACTIVITY**

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

**2000 Budgeted VS. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 774,500	\$ 838,339	\$ 63,839
Special Revenue	196,081	165,809	(30,272)
Capital Projects	125,000	144,136	19,136
Debt Service	7,000	19,549	12,549
Total	\$ 1,102,581	\$ 1,167,833	\$ 65,252

**2000 Budgeted VS. Actual Budgetary Basis Expenditures**

Fund Type	Appro- priation Authority	Budgetary Expenditures	Variance
General	\$ 1,221,719	\$ 736,751	\$ 484,968
Special Revenue	368,407	147,227	221,180
Capital Projects	265,154	264,579	575
Debt Service	30,555	30,554	1
Total	\$ 1,885,835	\$ 1,179,111	\$ 706,724

**1999 Budgeted VS. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 509,500	\$ 565,020	\$ 55,520
Special Revenue	154,330	159,230	4,900
Capital Projects	75,000	123,650	48,650
Debt Service	329,984	310,208	(19,776)
Total	\$ 1,068,814	\$ 1,158,108	\$ 89,294

**1999 Budgeted VS. Actual Budgetary Basis Expenditures**

Fund Type	Appro- priation Authority	Budgetary Expenditures	Variance
General	\$ 716,223	\$ 715,528	\$ 695
Special Revenue	256,885	86,088	170,797
Capital Projects	91,847	7,090	84,757
Debt Service	389,717	306,960	82,757
Total	\$ 1,454,672	\$ 1,115,666	\$ 339,006

**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 January 20. If the property owner elects to make semiannual payment, the first half is due January 20. 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 to 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.

**INTERFUND TRANSACTIONS**

Interfund balances at December 31, 2000 consist of the following individual fund receivables and payables.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 184,459	\$ --
Special Revenue Fund		
COPS Grant	--	5,000
SRO Grant	--	6,380
Capital Projects	--	173,079

**PROMISSORY NOTE**

On August 31, 2000, the Village signed an unsecured promissory note for \$ 103,734, plus 8% interest for the purchase of land. The note is payable in annual installments of \$ 51,867 with a maturity date of August 31, 2002.

**RETIREMENT SYSTEMS**

The Village's law enforcement officers belong to the Police & Firemen's Disability & Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio, PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.


**VILLAGE OF PERRY  
LAKE COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**RISK MANAGEMENT**

The Village is a member of the Public Entities Pool of Ohio (the "Pool"). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

General liability and casualty  
Public official's liability  
Vehicle

**Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**



The Honorable Lee Lydic  
and Members of Village of Perry Council  
Perry, Ohio

We have audited the financial statements of the Village of Perry (the "Village") as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 19, 2001. In our report, our opinion referred to the financial statements being prepared on a basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We conducted our audit 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**

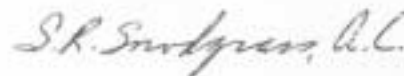
As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 19, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 we have reported to management of the Village in a separate letter dated February 19, 2001.

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

Mentor, Ohio  
February 19, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF 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  
APRIL 17, 2001