



**PERRY AREA ECONOMIC DEVELOPMENT COUNCIL  
LAKE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**



**Mary Taylor, CPA**  
Auditor of State



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

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# Mary Taylor, CPA

Auditor of State

Perry Area Joint Economic Development Council  
Lake County  
3740 Center Road, P.O. Box 398  
Perry, Ohio 44081

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 17, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Perry Area Joint Economic Development Council  
Lake County  
3740 Center Road, P.O. Box 398  
Perry, Ohio 44081

To the Board of Directors:

We have audited the accompanying financial statements of Perry Area Joint Economic Development Council, Lake County, Ohio, (the Council) as of and for the years ended December 31, 2008 and December 31, 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, 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, 2008 and December 31, 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2009, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

June 17, 2009



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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>
<b>Cash Receipts:</b>	
Member Contributions	\$36,000
Interest	8
	<hr/>
Total Cash Receipts	36,008
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<b>Cash Disbursements:</b>	
Contractual Services	23,106
Marketing	1,209
Insurance	1,795
Consultant	11,670
Miscellaneous	267
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Total Cash Disbursements	38,047
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Total Receipts Over/(Under) Disbursements	(2,039)
	<hr/>
Fund Cash Balances, January 1, 2008	14,488
	<hr/>
<b>Fund Cash Balances, December 31, 2008</b>	<b><u><u>\$12,449</u></u></b>

*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 BALANCES  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>
<b>Cash Receipts:</b>	
Member Contributions	\$36,000
Interest	88
	<hr/>
Total Cash Receipts	36,088
	<hr/>
<b>Cash Disbursements:</b>	
Contractual Services	47,523
Marketing	2,155
Insurance	1,890
Consultant	11,330
Miscellaneous	1,741
	<hr/>
Total Cash Disbursements	64,639
	<hr/>
Total Receipts Over/(Under) Disbursements	(28,551)
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Fund Cash Balances, January 1, 2007	43,039
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<b>Fund Cash Balances, December 31, 2007</b>	<b><u><u>\$14,488</u></u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**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. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Cash Equivalents**

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

**D. Fund Accounting**

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

The General Fund is the general operating fund and is used to account for all financial resources.

**E. Property, Plant, and Equipment**

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND DECEMBER 31, 2007**

**2. EQUITY IN POOLED CASH**

The Council maintains cash in a business bank account. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Total Demand Deposits	<u>\$12,449</u>	<u>\$14,488</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. RISK MANAGEMENT**

The Council has obtained commercial insurance for employee dishonesty coverage.



# Mary Taylor, CPA

Auditor of State

## **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Perry Area Joint Economic Development Council  
Lake County  
3740 Center Road, P.O. Box 398  
Perry, Ohio 44081

To the Board of Directors:

We have audited the financial statements of Perry Area Joint Economic Development Council, Lake County, Ohio, (the Council) as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated June 17, 2009 wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management and the Board of Directors. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

June 17, 2009



**Mary Taylor, CPA**  
Auditor of State

**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**  
**JUNE 30, 2009**