



**Auditor of State  
Betty Montgomery**



**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - 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> .....	9

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Perry Public Library  
Lake County  
3753 Main Street  
Perry, Ohio 44081

To the Board of Trustees:

We have audited the accompanying financial statements of Perry Public Library, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2002 and December 31, 2001. These financial statements are the responsibility of the Library'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 Library 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 of Perry Public Library, Lake County, Ohio, as of December 31, 2002 and December 31, 2001, 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 9, 2003 on our consideration of the Library'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 audit committee, management, the Board of Trustees 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 cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 9, 2003

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**This page intentionally left blank.**

**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDING DECEMBER 31, 2002**

	Governmental Fund Types			Fiduciary Fund Type	Totals
	General	Special Revenue	Capital Projects	Expendable Trust	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$153,548	\$ -	\$ -	\$ -	\$153,548
Library and Local Government Support	409,711	-	-	-	409,711
Unrestricted Grants-in-Aid	137,941	-	-	-	137,941
Intergovernmental	12,969	-	-	-	12,969
Patrons Fines and Fees	24,504	-	-	-	24,504
Services Provided to Other Entities	210	-	-	-	210
Contributions, Gifts and Donations	-	-	-	185	185
Earnings on Investments	10,065	1,919	12,451	184	24,619
Miscellaneous	5,464	-	-	-	5,464
<b>Total Cash Receipts</b>	<b>754,412</b>	<b>1,919</b>	<b>12,451</b>	<b>369</b>	<b>769,151</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries	394,796	-	-	-	394,796
Employee Fringe Benefits	162,290	-	-	-	162,290
Purchased and Contracted Services	106,058	2,194	1,210	-	109,462
Library Materials and Information	97,620	7,947	-	365	105,932
Supplies	19,554	-	-	-	19,554
Other	6,589	-	-	-	6,589
Capital Outlay	547	-	8,699	-	9,246
<b>Total Cash Disbursements</b>	<b>787,454</b>	<b>10,141</b>	<b>9,909</b>	<b>365</b>	<b>807,869</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(33,042)</b>	<b>(8,222)</b>	<b>2,542</b>	<b>4</b>	<b>(38,718)</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Sale of Fixed Assets	220	-	-	-	220
Transfers-In	-	-	10,000	-	10,000
Transfers-Out	(10,000)	-	-	-	(10,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(9,780)</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>220</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	<b>(42,822)</b>	<b>(8,222)</b>	<b>12,542</b>	<b>4</b>	<b>(38,498)</b>
<b>Fund Cash Balance, January 1, 2002</b>	<b>681,064</b>	<b>168,446</b>	<b>1,079,909</b>	<b>14,273</b>	<b>1,943,692</b>
<b>Fund Cash Balance, December 31, 2002</b>	<b>638,242</b>	<b>160,224</b>	<b>1,092,451</b>	<b>14,277</b>	<b>1,905,194</b>

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

**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDING DECEMBER 31, 2001**

	Governmental Fund Types			Fiduciary Fund Type	Totals
	General	Special Revenue	Capital Projects	Expendable Trust	(Memorandum Only)
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$ 287,193	\$ -	\$ -	\$ -	\$ 287,193
Library and Local Government Support	443,068	-	-	-	443,068
Intergovernmental	12,718	-	-	-	12,718
Patrons Fines and Fees	20,948	-	-	-	20,948
Services Provided to Other Entities	194	-	-	-	194
Contributions, Gifts and Donations	-	-	-	300	300
Earnings on Investments	58,958	10,063	35,121	610	104,752
Miscellaneous	6,997	-	-	1,935	8,932
<b>Total Cash Receipts</b>	<b>830,076</b>	<b>10,063</b>	<b>35,121</b>	<b>2,845</b>	<b>878,105</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries	374,233	-	-	-	374,233
Employee Fringe Benefits	127,421	-	-	-	127,421
Purchased and Contracted Services	111,054	2,361	-	-	113,415
Library Materials and Information	101,463	8,185	-	368	110,016
Supplies	16,594	-	-	-	16,594
Other	2,887	-	-	-	2,887
Capital Outlay	8,939	-	17,276	-	26,215
<b>Total Cash Disbursements</b>	<b>742,591</b>	<b>10,546</b>	<b>17,276</b>	<b>368</b>	<b>770,781</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>87,485</b>	<b>(483)</b>	<b>17,845</b>	<b>2,477</b>	<b>107,324</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	-	-	610,000	-	610,000
Transfers-Out	(610,000)	-	-	-	(610,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(610,000)</b>	<b>-</b>	<b>610,000</b>	<b>-</b>	<b>-</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	(522,515)	(483)	627,845	2,477	107,324
Fund Cash Balance, January 1, 2001	1,203,579	168,929	452,064	11,796	1,836,368
<b>Fund Cash Balance, December 31, 2001</b>	<b>\$ 681,064</b>	<b>\$ 168,446</b>	<b>\$ 1,079,909</b>	<b>\$ 14,273</b>	<b>\$ 1,943,692</b>

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



**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Perry Public Library, Lake County, Ohio, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is an association library in which residents of Perry Township, Perry Village and North Perry Village pay a one time \$1 fee to join. Members of the association elect a nine-member Board of Trustees. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library 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 Investments**

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

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**D. Fund Accounting**

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

**1. 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.

**2. 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 Library had the following significant Special Revenue Fund:

Connor Fund – This fund received a donation to be used for the purchase of scientific and/or philosophical literature and materials.

**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

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

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

**D. Fund Accounting**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant Capital Project Fund:

Permanent Improvement Fund – This fund is used for the purpose of repairing, improving, furnishing and equipping the Library.

**4. Fiduciary Funds (Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant Fiduciary Fund:

Sick Leave on Retirement Fund – This fund is used to compensate employees for payment of earned sick leave upon retirement.

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

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

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

The Library 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 follows:

	2002	2001
Demand deposits	\$16,455	\$14,072
Certificates of deposit	1,600,000	0
Total deposits	1,616,455	14,072
STAR Ohio	288,739	1,929,620
Total investments	288,739	1,929,620
Total deposits and investments	\$1,905,194	\$1,943,692

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002, and December 31, 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$873,798	\$797,454	\$76,344
Special Revenue	12,100	10,141	1,959
Capital Projects	28,000	9,909	18,091
Expendable Trust	1,750	365	1,385
Total	\$915,648	\$817,869	\$97,779

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,420,433	\$1,352,591	\$67,842
Special Revenue	11,600	10,546	1,054
Capital Projects	42,000	17,276	24,724
Expendable Trust	2,000	368	1,632
Total	\$1,476,033	\$1,380,781	\$95,252

**PERRY PUBLIC LIBRARY  
LAKE COUNTY**

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

**4. GRANTS-IN-AID AND TAX RECEIPTS**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs, such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. 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 taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each May 17.

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

**5. RETIREMENT SYSTEM**

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

Contribution rates are prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Library has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

The Library provides health insurance and dental coverage to full-time employees who work 35 or more hours per week through a private carrier. The Library's liability for health care is limited to the premiums paid.



## **Auditor of State Betty Montgomery**

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

Perry Public Library  
Lake County  
3753 Main Street  
Perry, Ohio 44081

To the Board of Trustees:

We have audited the financial statements of Perry Public Library, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated June 9, 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 Library'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 Library'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.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees, 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 9, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**PERRY PUBLIC LIBRARY**

**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 15, 2003**