



**PERRY PUBLIC LIBRARY
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PERRY PUBLIC LIBRARY
LAKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry Public Library, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 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 audits provide 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 and reserves for encumbrances of the Perry Public Library, 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 April 23, 2001 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.

Jim Petro
Auditor of State

April 23, 2001

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**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 ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$337,866	\$0	\$0	\$0	\$337,866
Intergovernmental Revenue	453,554	0	0	0	453,554
Patron Fines and Fees	19,146	0	0	0	19,146
Earnings on Investments	65,301	11,467	28,703	723	106,194
Services Provided to Other Entities	65	0	0	0	65
Contributions, Gifts and Donations	0	0	0	95	95
Miscellaneous Receipts	3,460	0	0	0	3,460
Total Cash Receipts	<u>879,392</u>	<u>11,467</u>	<u>28,703</u>	<u>818</u>	<u>920,380</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	436,271	0	0	0	436,271
Supplies	13,977	0	0	0	13,977
Purchased and Contracted Services	82,708	2,191	1,350	0	86,249
Library Materials and Information	78,414	7,525	0	0	85,939
Other Objects	2,260	0	0	0	2,260
Capital Outlay	12,437	0	4,009	0	16,446
Total Cash Disbursements	<u>626,067</u>	<u>9,716</u>	<u>5,359</u>	<u>0</u>	<u>641,142</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>253,325</u>	<u>1,751</u>	<u>23,344</u>	<u>818</u>	<u>279,238</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	8,610	32,570	530	41,710
Transfers-Out	(41,710)	0	0	0	(41,710)
Total Other Financing Receipts/(Disbursements)	<u>(41,710)</u>	<u>8,610</u>	<u>32,570</u>	<u>530</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>211,615</u>	<u>10,361</u>	<u>55,914</u>	<u>1,348</u>	<u>279,238</u>
Fund Cash Balances, January 1, 2000	<u>991,908</u>	<u>158,568</u>	<u>396,149</u>	<u>10,449</u>	<u>1,557,074</u>
Fund Cash Balances, December 31, 2000	<u>\$1,203,523</u>	<u>\$168,929</u>	<u>\$452,063</u>	<u>\$11,797</u>	<u>\$1,836,312</u>
Reserves for Encumbrances, December 31, 2000	<u>\$20,936</u>	<u>\$772</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,708</u>

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 ENDED DECEMBER 31, 1999

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$321,381	\$0	\$0	\$0	\$321,381
Intergovernmental Revenue	429,280	0	0	0	429,280
Patron Fines and Fees	20,924	0	0	0	20,924
Earnings on Investments	99,751	688	1,115	169	101,723
Services Provided to Other Entities	1,114	0	0	0	1,114
Contributions, Gifts and Donations	0	0	0	197	197
Miscellaneous Receipts	4,000	0	2,572	0	6,572
Total Cash Receipts	876,450	688	3,687	366	881,191
Cash Disbursements:					
Current:					
Salaries and Benefits	437,159	0	885	0	438,044
Supplies	16,536	0	0	0	16,536
Purchased and Contracted Services	93,100	1,256	17,584	0	111,940
Library Materials and Information	83,829	8,395	0	72	92,296
Other Objects	2,338	0	0	0	2,338
Capital Outlay	753	2,924	90,409	0	94,086
Total Cash Disbursements	633,715	12,575	108,878	72	755,240
Total Cash Receipts Over/(Under) Cash Disbursements	242,735	(11,887)	(105,191)	294	125,951
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	3,400	0	0	0	3,400
Transfers-In	0	0	10,000	896	10,896
Transfers-Out	(10,896)	0	0	0	(10,896)
Total Other Financing Receipts/(Disbursements)	(7,496)	0	10,000	896	3,400
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	235,239	(11,887)	(95,191)	1,190	129,351
Fund Cash Balances, January 1, 1999	756,669	170,455	491,340	9,259	1,427,723
Fund Cash Balances, December 31, 1999	\$991,908	\$158,568	\$396,149	\$10,449	\$1,557,074
Reserves for Encumbrances, December 31, 1999	\$7,315	\$624	\$6,500	\$0	\$14,439

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, 2000 AND 1999**

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 the State 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 the 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.

Component units are legally separate organizations for which the Library is financially accountable. Component units may also include organizations that are fiscally dependent on the Library in that the Library approves their budget, the issuance of their debt or the levying of their taxes. The Library has no component units.

The following entity which performs activities within the Library's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the Library is not financially accountable for these entities nor are they fiscally dependent on the Library.

Friends of the Perry Public Library was organized to maintain an association of persons interested in libraries; to focus public attention on the Perry Public Library; to stimulate the use of the library's resources and services; to receive and encourage gifts, endowments and bequests to the library; to support and cooperate with the library in developing library services and facilities for the community; The Library exercised no financial control over this organization. The Library received no financial contributions from the Friends organization during fiscal period January 1, 1999 through December 31, 2000. Total cash assets (unaudited) of the Friends of Perry Public Library at December 31, 2000 amounted to \$6,406. The Friends Treasurer's Report (unaudited) can be obtained through Doug Geib, Treasurer.

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

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.

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.

**PERRY PUBLIC LIBRARY
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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

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 non-expendable trust fund. Other trust funds are classified as expendable. The Library had the following significant Expendable Trust 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 Ohio Administrative Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) should not exceed appropriations at the fund, function level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The Library sends a copy of the annual appropriation measure and subsequent amendments to the County Budget Commission. Unencumbered appropriations lapse at year end.

**PERRY PUBLIC LIBRARY
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Administrative Code requires the Library 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 capital outlay 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 Library.

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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$28,356	\$16,188
Certificates of Deposit	<u>1,208,099</u>	<u>992,102</u>
Total deposits	<u>1,236,455</u>	<u>1,008,290</u>
STAR Ohio	<u>599,857</u>	<u>548,784</u>
Total investments	<u>599,857</u>	<u>548,784</u>
Total deposits and investments	<u><u>\$1,836,312</u></u>	<u><u>\$1,557,074</u></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.

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

**PERRY PUBLIC LIBRARY
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$934,156	\$879,392	(\$54,764)
Special Revenue	17,348	20,077	2,729
Capital Projects	39,634	61,273	21,639
Expendable Trust	1,693	1,348	(345)
Total	<u>\$992,831</u>	<u>\$962,090</u>	<u>(\$30,741)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$781,773	\$688,713	\$93,060
Special Revenue	11,774	10,488	1,286
Capital Projects	20,000	5,359	14,641
Expendable Trust	800	0	800
Total	<u>\$814,347</u>	<u>\$704,560</u>	<u>\$109,787</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$883,965	\$879,850	(\$4,115)
Special Revenue	7,500	688	(6,812)
Capital Projects	5,000	13,687	8,687
Expendable Trust	1,200	1,262	62
Total	<u>\$897,665</u>	<u>\$895,487</u>	<u>(\$2,178)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$743,302	\$651,926	\$91,376
Special Revenue	16,460	13,199	3,261
Capital Projects	159,687	115,378	44,309
Expendable Trust	875	72	803
Total	<u>\$920,324</u>	<u>\$780,575</u>	<u>\$139,749</u>

**PERRY PUBLIC LIBRARY
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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 on account of any additional revenues realized by the Library.

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 Other Governments Grants In Aid. 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 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 Library.

5. RETIREMENT SYSTEM

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 Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Library has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- 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.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**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 the Perry Public Library, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 23, 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 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the 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 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.

Jim Petro
Auditor of State

April 23, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
MAY 22, 2001**