



**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LOUISVILLE PUBLIC LIBRARY
STARK COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Louisville Public Library
Stark County
700 Lincoln Avenue
Louisville, Ohio 44641

To the Board of Trustees:

We have audited the accompanying financial statements of the Louisville Public Library, Stark County, (the Library) as of and for the years ended December 31, 2000 and 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 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 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 Library 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 Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 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, 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 12, 2001

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LOUISVILLE PUBLIC LIBRARY
STARK 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</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Expendable</u> <u>Trust</u>	
CASH RECEIPTS:				
State Income Taxes	\$785,947			\$785,947
Patron Fines and Fees	16,557			16,557
Earnings on Investments	13,464	\$42,018	\$1,359	56,841
Services Provided to Other Entities	5,064			5,064
Contributions, Gifts and Donations	482			482
Miscellaneous Revenues	7,664			7,664
Total Cash Receipts	829,178	42,018	1,359	872,555
CASH DISBURSEMENTS:				
Employee Wages and Fringe Benefits	417,099			417,099
Supplies	17,952			17,952
Purchased and Contracted Services	102,639			102,639
Library Materials and Information	175,011			175,011
Other Objects	11,084			11,084
Capital Outlay	63,899			63,899
Total Cash Disbursements	787,684	0	0	787,684
Total Cash Receipts Over Cash Disbursements	41,494	42,018	1,359	84,871
Other Financing Receipts/(Disbursements):				
Sales of Books	2,271			2,271
Operating Transfers In		75,000		75,000
Operating Transfers Out	(75,000)			(75,000)
Total Other Financing Sources/(Uses)	(72,729)	75,000	0	2,271
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(31,235)	117,018	1,359	87,142
Fund Cash Balances, January 1	215,893	651,383	21,001	888,277
Fund Cash Balances, December 31	\$184,658	\$768,401	\$22,360	\$975,419
Reserves for Encumbrances, December 31	\$25,560	\$0	\$0	\$25,560

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

**LOUISVILLE PUBLIC LIBRARY
STARK 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**

	<u>Governmental Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Expendable</u> <u>Trust</u>	
CASH RECEIPTS:				
State Income Taxes	\$737,535			\$737,535
Patron Fines and Fees	17,869			17,869
Earnings on Investments	9,780	\$25,989	\$1,012	36,781
Services Provided to Other Entities	5,180			5,180
Contributions, Gifts and Donations	725			725
Miscellaneous Revenues	16,272			16,272
Total Cash Receipts	787,361	25,989	1,012	814,362
CASH DISBURSEMENTS:				
Employee Wages and Fringe Benefits	393,874			393,874
Supplies	17,471			17,471
Purchased and Contracted Services	91,178			91,178
Library Materials and Information	167,166			167,166
Other Objects	8,887			8,887
Capital Outlay	14,203			14,203
Total Cash Disbursements	692,779	0	0	692,779
Total Cash Receipts Over Cash Disbursements	94,582	25,989	1,012	121,583
Other Financing Receipts/(Disbursements):				
Sales of Books	3,234			3,234
Operating Transfers In		100,000		100,000
Other Financing Uses	(100,000)			(100,000)
Total Other Financing Sources/(Uses)	(96,766)	100,000	0	3,234
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,184)	125,989	1,012	124,817
Fund Cash Balances, January 1	218,077	525,394	19,989	763,460
Fund Cash Balances, December 31	\$215,893	\$651,383	\$21,001	\$888,277
Reserves for Encumbrances, December 31	\$31,884	\$0	\$0	\$31,884

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

**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Louisville Public Library (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 directed by a seven-member Board of Trustees which is appointed by the Louisville City School District's Board of Education. The Library is a school district public library which 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. 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 Library has funds invested in certificates of deposit and STAR Ohio. 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. Capital Projects 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 projects funds:

Building and Repair Fund - This fund is used for all major construction and renovations.

**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Fiduciary Funds

Trust funds are used to account for resources held by a governmental unit in a trustee capacity. These funds include Expendable Trust Funds which are trust funds whose resources, including both principal and earnings may be expended. The Library had the following significant Expendable Trust Fund:

Bonnet Fund - This fund is used to account for any special projects that the Board deems necessary.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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.

**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment 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	\$71,205	\$75,538
Petty cash	90	90
Certificates of deposit	<u>648,664</u>	<u>812,649</u>
Total deposits	<u>719,959</u>	<u>888,277</u>
STAR Ohio	<u>255,460</u>	<u>0</u>
Total investments	<u>255,460</u>	<u>0</u>
Total deposits and investments	<u><u>\$975,419</u></u>	<u><u>\$888,277</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$812,986	\$831,449	\$18,463
Capital Projects	19,000	117,018	98,018
Fiduciary	<u>1,200</u>	<u>1,359</u>	<u>159</u>
Total	<u><u>\$833,186</u></u>	<u><u>\$949,826</u></u>	<u><u>\$116,640</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$968,721	\$888,244	\$80,477
Capital Projects	0	0	0
Fiduciary	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$968,721</u></u>	<u><u>\$888,244</u></u>	<u><u>\$80,477</u></u>

**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$787,208	\$790,595	\$3,387
Capital Projects	19,000	125,989	106,989
Fiduciary	1,200	1,012	(188)
Total	\$807,408	\$917,596	\$110,188

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$964,781	\$824,663	\$140,118
Capital Projects	0	0	0
Fiduciary	0	0	0
Total	\$964,781	\$824,663	\$140,118

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, operations, 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. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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 April 30.

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

**LOUISVILLE PUBLIC LIBRARY
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries. 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 also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Louisville Public Library
Stark County
700 Lincoln Avenue
Louisville, Ohio 44641

To the Board of Trustees:

We have audited the accompanying financial statements of the Louisville Public Library, Stark County, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 12, 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 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. 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 Library in a separate letter dated April 12, 2001.

Louisville Public Library
Stark County
Report of Independent Accountants 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 the audit committee, management, and 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 12, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

LOUISVILLE PUBLIC LIBRARY

STARK 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 17, 2001**