



**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Rock Creek Public Library
Ashtabula County
2988 High St. P.O. Box 297
Rock Creek, Ohio 44084-0297

To the Board of Trustees:

We have audited the accompanying financial statements of Rock Creek Public Library, Ashtabula 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 audit.

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. 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 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 May 16, 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 audit.

This report is intended solely for the information and use of management, the Board 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

May 16, 2001

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**ROCK CREEK PUBLIC LIBRARY
ASHTABULA 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>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Government Grants-In-Aid	\$180,219			\$180,219
Patron Fines and Fees	10,849			10,849
Earnings on Investments	958		\$3,868	4,826
Contributions, Gifts and Donations	745			745
Miscellaneous Receipts	1,747			1,747
	<hr/>			<hr/>
Total Cash Receipts	194,518		3,868	198,386
Cash Disbursements:				
Current:				
Salaries and Benefits	89,906			89,906
Supplies	7,573			7,573
Purchased And Contracted Services	31,005			31,005
Library Materials And Information:	44,244			44,244
Capital Outlay	810			810
Other Objects	2,610			2,610
	<hr/>			<hr/>
Total Cash Disbursements	176,148			176,148
	<hr/>			<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	18,370		3,868	22,238
Other Financing Receipts/(Disbursements):				
Transfers-In		6,000		6,000
Transfers-Out	(6,000)			(6,000)
	<hr/>			<hr/>
Total Other Financing Receipts/(Disbursements)	(6,000)	6,000		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements				
	12,370	6,000	3,868	22,238
Fund Cash Balances, January 1	25,902	12,950	37,215	76,067
	<hr/>			<hr/>
Fund Cash Balances, December 31	<u>\$38,272</u>	<u>\$18,950</u>	<u>\$41,083</u>	<u>\$98,305</u>

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

ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$12
Total Operating Cash Receipts	12
Operating Cash Disbursements:	
Current:	
Library Materials and Information	47
Total Operating Cash Disbursements	47
Operating Income/(Loss)	(35)
Fund Cash Balances, January 1	1,095
Fund Cash Balances, December 31	\$1,060

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

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA 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 Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Government Grants-In-Aid	\$167,031			\$167,031
Patron Fines and Fees	12,029			12,029
Earnings on Investments	1,597		1,761	3,358
Contributions, Gifts and Donations	450			450
Miscellaneous Receipts	156			156
	<u>181,263</u>		<u>1,761</u>	<u>183,024</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	83,149			83,149
Supplies	10,193			10,193
Purchased and Contracted Services	38,733			38,733
Library Materials and Information	37,106			37,106
Capital Outlay	981			981
Other Objects	3,431			3,431
	<u>173,593</u>			<u>173,593</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>7,670</u>		<u>1,761</u>	<u>9,431</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		5,000	728	5,728
Transfers-Out	<u>(5,728)</u>			<u>(5,728)</u>
	<u>(5,728)</u>	<u>5,000</u>	<u>728</u>	
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,942	5,000	2,489	9,431
Fund Cash Balances, January 1	<u>23,960</u>	<u>7,950</u>	<u>34,726</u>	<u>66,636</u>
Fund Cash Balances, December 31	<u>\$25,902</u>	<u>\$12,950</u>	<u>\$37,215</u>	<u>\$76,067</u>

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

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH
DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$49
Total Operating Cash Receipts	49
Operating Cash Disbursements:	
Current:	
Library Materials and Information	56
Total Operating Cash Disbursements	56
Operating Income/(Loss)	(7)
Fund Cash Balances, January 1	1,103
Fund Cash Balances, December 31	\$1,096

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

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Rock Creek Public Library, Ashtabula County, (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 appointed by the Village. 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. 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. Except, gains and losses at the time of the sale are recorded as receipts or disbursements, respectively certificates of deposits are valued at cost. Stocks are valued at fair value at the time of donation.

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 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:

Building and Repair Fund - The Library transfers-in from the General Fund for expenses related to the Library building.

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Funds (Trust Funds)

These 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:

Swan Trust Fund - This fund is used for maintaining the library in accordance with the wishes of a donor.

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 and function level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

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 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 leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the basis of accounting used by the Library.

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA 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 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 was as follows:

	<u>2000</u>		<u>1999</u>	
	<u>Market</u>	<u>Carrying</u>	<u>Market</u>	<u>Carrying</u>
	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
Demand deposits	\$57,220	\$57,219	\$38,850	\$38,851
Certificate of deposit	<u>\$6,191</u>	<u>\$6,191</u>	<u>\$5,958</u>	<u>\$5,958</u>
Total Deposits	\$63,411	\$63,410	\$44,808	\$44,809
Stocks	<u>\$146,451</u>	<u>\$35,955</u>	<u>\$160,883</u>	<u>\$32,354</u>
Total deposits and investments	<u>\$209,862</u>	<u>\$99,365</u>	<u>\$205,691</u>	<u>\$77,163</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: The Library was donated 47 shares of AT&T stock in 1945 (\$166/share). AT&T's stock has split off into other companies listed below and the corresponding shares obtained are included in the carrying value. These investments are reported in the financial statements at the fair value on the date of donation. Stock dividends are reported at the fair value on the dividend distribution date. The fair value of the stocks as of 12/31/00 and 12/31/99 are listed below:

<u>Company</u>	<u>Number of Shares</u>	<u>\$ Per Share</u>	<u>Market Value 12/31/00</u>
AT&T	122	17.25	\$ 2,104
SBC	2978.447	47.75	142,221
Lucent	157.4525	13.5	<u>2,126</u>
Total			\$146,451
			<u>Market Value 12/31/99</u>
AT&T	122	50.8125	\$ 6,199
SBC	931.285	48.75	142,900
Lucent	157.125	75	<u>11,784</u>
Total			\$160,883

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$194,382	\$194,518	\$136
Capital Projects	6,000	6,000	
Trust	40	3,880	3,840
Total	\$200,422	\$204,398	\$3,976

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$205,910	\$182,148	\$23,762
Capital Projects	6,000		6,000
Trust	85	47	38
Total	\$211,995	\$182,195	\$29,800

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,464	\$181,263	\$5,799
Capital Projects	5,000	5,000	
Trust	33	2,538	2,505
Total	\$180,497	\$188,801	\$8,304

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$192,554	\$179,321	\$13,233
Capital Projects	7,900		7,900
Trust	85	56	29
Total	\$200,539	\$179,377	\$21,162

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.

**ROCK CREEK PUBLIC LIBRARY
ASHTABULA COUNTY**

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

4. GRANTS-IN-AID AND TAX RECEIPTS (Continued)

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 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.

5. RETIREMENT SYSTEMS

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% in 1999 and 10.84% in 2000, 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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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Rock Creek Public Library
Ashtabula County
2988 High St. P.O. Box 297
Rock Creek, Ohio 44084-0297

To the Board of Trustees:

We have audited the accompanying financial statements of Rock Creek Public Library, Ashtabula County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 16, 2001. 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 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 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 one immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 16, 2001.

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. However, we noted one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the Library in a separate letter dated May 16, 2001.

Rock Creek Public Library
Ashtabula County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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

May 16, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ROCK CREEK PUBLIC LIBRARY

ASHTABULA 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 12, 2001**