



**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

ELLA M. EVERHARD PUBLIC LIBRARY
SUMMIT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library (the Library) as of and for the years ended December 31, 2001 and 2000. 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 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 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, 2001 and 2000, 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 14, 2002 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 black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 14, 2002

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Taxes	\$539,661	\$0	\$0	\$0	\$539,661
Other Government Grants-In-Aid	1,279,113				1,279,113
Patron Fines and Fees	46,364				46,364
Earnings on Investments	35,150		189,415	6,463	231,028
Contributions, Gifts and Donations	3,236	15,769	100		19,105
Miscellaneous Receipts	7,799		2,850		10,649
	<u>1,911,323</u>	<u>15,769</u>	<u>192,365</u>	<u>6,463</u>	<u>2,125,920</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	1,046,103				1,046,103
Purchased and Contracted Services	266,037		482,516		748,553
Supplies	48,380	15			48,395
Library Materials and Information	284,552				284,552
Other Objects	10,461				10,461
Capital Outlay	12,810		521,363		534,173
	<u>1,668,343</u>	<u>15</u>	<u>1,003,879</u>	<u>0</u>	<u>2,672,237</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>242,980</u>	<u>15,754</u>	<u>(811,514)</u>	<u>6,463</u>	<u>(546,317)</u>
Other Financing Receipts/(Disbursements):					
Proceeds of Bonds			5,600,000		5,600,000
Transfers-In		5,256			5,256
Transfers-Out	(5,256)				(5,256)
	<u>(5,256)</u>	<u>5,256</u>	<u>5,600,000</u>	<u>0</u>	<u>5,600,000</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	237,724	21,010	4,788,486	6,463	5,053,683
Fund Cash Balances, January 1	690,092		487,553	90,644	1,268,289
Fund Cash Balances, December 31	<u>\$927,816</u>	<u>\$21,010</u>	<u>\$5,276,039</u>	<u>\$97,107</u>	<u>\$6,321,972</u>
Reserves for Encumbrances, December 31	<u>\$57,244</u>	<u>\$0</u>	<u>\$2,844,162</u>	<u>\$0</u>	<u>\$2,901,406</u>

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

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA 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:				
Taxes	\$544,944	\$0	\$0	\$544,944
Other Government Grants-In-Aid	1,258,604			1,258,604
Patron Fines and Fees	47,551			47,551
Earnings on Investments	55,537	15,672	5,089	76,298
Contributions, Gifts and Donations	4,490			4,490
Miscellaneous Receipts	10,605			10,605
	<u>1,921,731</u>	<u>15,672</u>	<u>5,089</u>	<u>1,942,492</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	1,022,711			1,022,711
Purchased and Contracted Services	283,124			283,124
Supplies	42,492			42,492
Library Materials and Information	283,182			283,182
Other Objects	15,804			15,804
Capital Outlay	39,311			39,311
	<u>1,686,624</u>	<u>0</u>	<u>0</u>	<u>1,686,624</u>
Total Cash Receipts Over Cash Disbursements	<u>235,107</u>	<u>15,672</u>	<u>5,089</u>	<u>255,868</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		250,000		250,000
Transfers-Out	(250,000)			(250,000)
	<u>(250,000)</u>	<u>250,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(250,000)</u>	<u>250,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,893)	265,672	5,089	255,868
Fund Cash Balances, January 1	<u>704,985</u>	<u>221,881</u>	<u>85,555</u>	<u>1,012,421</u>
Fund Cash Balances, December 31	<u>\$690,092</u>	<u>\$487,553</u>	<u>\$90,644</u>	<u>\$1,268,289</u>
Reserves for Encumbrances, December 31	<u>\$39,349</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,349</u>

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

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ella M. Everhard Public Library, Medina 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Wadsworth City School Board of Education and 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, except for certain tax collections used to retire bonds which are maintained by outside custodians as described in Note 5 to the financial statements.

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 included in the fund cash balances. 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 amount 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 Fund

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The Library has the following Special Revenue Fund:

Drew Carey Young Adult Fund – This fund received a grant to purchase books for the young adult reader.

ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library has the following significant Capital Projects Fund:

Building and Repair Fund – This fund is used to account for transfers from the General Fund and is used for capital improvements.

Library Improvement Bond Fund – This fund received bond proceeds to be used for the construction, renovation, and addition to the Library.

4. Fiduciary Fund (Trust Fund)

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 has the following significant Expendable Trust Fund:

Bequest Endowment Fund – This fund receives interest and donations for general use.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

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

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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

	2001	2000
Demand deposits	\$31,560	\$11,140
Certificates of Deposit	3,163,270	90,643
Total deposits	3,194,830	101,783
STAR Ohio	3,127,142	1,166,506
Total deposits and investments	\$6,321,972	\$1,268,289

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

Fund Type	2001 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$1,907,324	\$1,911,323	\$3,999
Special Revenue	15,769	21,025	5,256
Capital Projects	5,610,000	5,792,365	182,365
Fiduciary	4,000	6,463	2,463
Total	\$7,537,093	\$7,731,176	\$194,083

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,026,486	\$1,730,843	\$295,643
Special Revenue	14,000	15	13,985
Capital Projects	4,815,000	3,848,041	966,959
Fiduciary	0	0	0
Total	\$6,855,486	\$5,578,899	\$1,276,587

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,776,293	\$1,921,731	\$145,438
Capital Projects	8,000	265,672	257,672
Fiduciary	3,400	5,089	1,689
Total	\$1,787,693	\$2,192,492	\$404,799

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,975,918	\$1,975,973	(\$55)
Capital Projects	30,000	0	30,000
Fiduciary	0	0	0
Total	\$2,005,918	\$1,975,973	\$29,945

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), which is included in Other Government Grants-In-Aid. 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.

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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 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.

5. CONSTRUCTION PROJECT

On behalf of the Library, the Wadsworth City School District placed a building levy on the November 2000 ballot. This levy passed and the Wadsworth City School District issued bonds on behalf of the Library. The Wadsworth City School District handles all tax collections and payments for the bonds. The Library received the proceeds of the bond issue in 2001. The proceeds will be used for the construction and renovation of the Library facility.

6. 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health, dental, vision and life insurance 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**

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 14, 2002. We conducted our audits 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 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.

Ella M. Everhard Public Library
Medina County
Report of Independent Accountants on Compliance and on Internal Control
Required By *Government Auditing Standards*
Page 2

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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

June 14, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ELLA M. EVERHARD PUBLIC LIBRARY

MEDINA 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 16, 2002**