



Dave Yost • Auditor of State

**PERRY PUBLIC LIBRARY
LAKE COUNTY
DECEMBER 31, 2016 AND 2015**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Perry Public Library, Lake County, (the Library) as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section

117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Perry Public Library, Lake County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2017, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

August 29, 2017

**PERRY PUBLIC LIBRARY
LAKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$698,663		\$0	\$698,663
Public Library	341,896			341,896
Intergovernmental	83,590			83,590
Patron Fines and Fees	15,948			15,948
Contributions, Gifts and Donations		\$4,758		4,758
Earnings on Investments	2,533	767		3,300
Miscellaneous	26,016			26,016
<i>Total Cash Receipts</i>	<u>1,168,646</u>	<u>5,525</u>	<u>0</u>	<u>1,174,171</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	46,882	1,680		48,562
Collection Development and Processing	106,554	960		107,514
Support Services:				
Facilities Operation and Maintenance	62,834		7,887	70,721
Business Administration	730,189	18		730,207
Capital Outlay	4,834	4,997	1,963	11,794
<i>Total Cash Disbursements</i>	<u>951,293</u>	<u>7,655</u>	<u>9,850</u>	<u>968,798</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>217,353</u>	<u>(2,130)</u>	<u>(9,850)</u>	<u>205,373</u>
Other Financing Receipts (Disbursements)				
Transfers In			70,000	70,000
Transfers Out	(70,000)			(70,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(70,000)</u>	<u>0</u>	<u>70,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	147,353	(2,130)	60,150	205,373
<i>Fund Cash Balances, January 1</i>	<u>340,201</u>	<u>161,846</u>	<u>49,076</u>	<u>551,123</u>
Fund Cash Balances, December 31				
Restricted		156,165		156,165
Committed	18,978	3,551	109,226	131,755
Assigned	25,377			25,377
Unassigned (Deficit)	443,199			443,199
<i>Fund Cash Balances, December 31</i>	<u>\$487,554</u>	<u>\$159,716</u>	<u>\$109,226</u>	<u>\$756,496</u>

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

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Perry Public Library, Lake County, Ohio, (the Library) as a body corporate and politic. The Library is an association library in which residents of Perry Library, 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 to govern the Library. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund: The general fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds: These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Funds:

Sick Leave on Retirement Fund - This fund receives periodic transfers from the General Fund and accumulates over time to offset pay-outs of sick leave to eligible retiring employees. This fund is reported as part of the General fund in these financial statements as required by GASB 54 because transfers-in are the only funding source and therefore do not meet the definition of a special revenue fund under the Governmental Accounting Standards Board.

Gift Fund - This fund collects monetary memorial (or otherwise) gifts from patrons wanting to gift the library. Funds may or may not be provided to the Library with specific usage requests.

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

Capital Project Funds: These funds account for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. 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.

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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.

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values the mutual funds report. The Library values certificates of deposit at cost.

Capital Assets

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable: The Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted: Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed: Trustees can commit amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

Perry Public Library
 Lake County
 Notes to the Financial Statements
 For the Year Ended December 31, 2016
 (Continued)

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,219,383	\$1,168,646	(\$50,737)
Special Revenue	4,775	5,525	750
Capital Projects	80,200	70,000	(10,200)
Total	\$1,304,358	\$1,244,171	(\$60,187)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority*	Budgetary Expenditures*	Variance
General	\$1,083,261	\$1,056,670	\$26,591
Special Revenue	13,000	7,680	5,320
Capital Projects	44,612	17,944	26,668
Total	\$1,140,873	\$1,082,294	\$58,579

* includes carryover appropriations and encumbrances.

Note 4 – Deposits and Investments

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2016 \$756,396
Petty Cash on Hand	100
Total deposits	\$756,496

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

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 5 – Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to the County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Public utilities are also taxed on personal and real property located within the taxing district.

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

Also, the Library provides health, dental, and vision insurance to all employees scheduled a minimum of 20 hours per week. The Library also pays 50% of the cost to insure dependents of employees eligible for this healthcare plan. For employees hired after August 1, 2011, the Library pays 80% of the cost to insure the employee and any eligible dependents. The Library's liability for healthcare is limited to the premiums paid and employee deductibles up to \$3,000 for single and \$9,000 for family policies.

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Continued)

Note 7 - Defined Benefit Pension Plans

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016, OPERS members contributed 10.0% of their wages and the Library contributed an amount equal to 14.0% of participants' gross salaries. The Library has paid all contributions required through December 31, 2016.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**PERRY PUBLIC LIBRARY
LAKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$403,253			\$403,253
Public Library	351,455			351,455
Intergovernmental	95,846		\$3,711	99,557
Special Assessments	18,084			18,084
Patron Fines and Fees	16,040			16,040
Contributions, Gifts and Donations		\$750		750
Earnings on Investments	1,534	630		2,164
Miscellaneous	29,599			29,599
<i>Total Cash Receipts</i>	915,811	1,380	3,711	920,902
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	46,146			46,146
Collection Development and Processing	94,698			94,698
Support Services:				
Facilities Operation and Maintenance	58,312			58,312
Business Administration	683,435	1,821	24,250	709,506
Capital Outlay			5,966	5,966
<i>Total Cash Disbursements</i>	882,591	1,821	30,216	914,628
<i>Excess of Receipts Over (Under) Disbursements</i>	33,220	(441)	(26,505)	6,274
<i>Net Change in Fund Cash Balances</i>	33,220	(441)	(26,505)	6,274
<i>Fund Cash Balances, January 1</i>	306,981	162,287	75,581	544,849
Fund Cash Balances, December 31				
Restricted		157,078		157,078
Committed	8,953	4,768	49,076	62,797
Assigned	169,146			169,146
Unassigned (Deficit)	162,102			162,102
<i>Fund Cash Balances, December 31</i>	\$340,201	\$161,846	\$49,076	\$551,123

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

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Perry Public Library, Lake County, Ohio, (the Library) as a body corporate and politic. The Library is an association library in which residents of Perry Library, 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 to govern the Library. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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.

A summary of 2015 budgetary activity appears in Note 3.

Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. Money market mutual funds are recorded at share values the mutual funds report. The Library values certificates of deposit at cost.

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Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$875,615	\$915,811	\$40,196
Special Revenue	2,950	1,380	(1,570)
Capital Projects	200	3,711	3,511
Total	\$878,765	\$920,902	\$42,137

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority*	Budgetary Expenditures*	Variance
General	\$924,214	\$906,577	\$17,637
Special Revenue	6,000	1,821	4,179
Capital Projects	54,711	34,828	19,883
Total	\$984,925	\$943,226	\$41,699

* includes carryover appropriations and encumbrances

Note 4 – Deposits and Investments

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	2015 \$536,023
Certificates of deposit	15,000
Petty Cash on Hand	100
Total deposits	\$551,123

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

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

Note 5 – Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to the County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Property Taxes

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

Public utilities are also taxed on personal and real property located within the taxing district.

Note 6 - Risk Management

Commercial Insurance

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Library has obtained commercial insurance for the following risks:

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

Also, the Library provides health, dental, and vision insurance to all employees scheduled a minimum of 20 hours per week. The Library also pays 50% of the cost to insure dependents of employees eligible for this healthcare plan. For employees hired after August 1, 2011, the Library pays 80% of the cost to insure the employee and any eligible dependents. The Library's liability for healthcare is limited to the premiums paid and employee deductibles up to \$3,000 for single and \$9,000 for family policies.

Perry Public Library
Lake County
Notes to the Financial Statements
For the Year Ended December 31, 2015
(Continued)

Note 7 - Defined Benefit Pension Plans

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015, OPERS members contributed 10.0% of their wages and the Library contributed an amount equal to 14.0% of participants' gross salaries. The Library has paid all contributions required through December 31, 2015.

Note 8 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of Perry Public Library, Lake County, (the Library) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2017 wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

August 29, 2017



Dave Yost • Auditor of State

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
SEPTEMBER 19, 2017**