



**CUYAHOGA COUNTY PUBLIC LIBRARY
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CUYAHOGA COUNTY PUBLIC LIBRARY
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
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	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Types – For the Year Ended December 31, 1999	4
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, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Types – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Cuyahoga County Public Library
Cuyahoga County
2111 Snow Road
Parma, Ohio 44134

To the Board of Trustees:

We have audited the accompanying financial statements of the Cuyahoga County Public Library, Cuyahoga County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 1998. 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 Cuyahoga County Public Library, Cuyahoga County, as of December 31, 1999 and December 31, 1998, 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 10, 2000 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 10, 2000

This page intentionally left blank.

**CUYAHOGA COUNTY PUBLIC LIBRARY
 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>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$41,706,348	\$0	\$0	\$0	\$41,706,348
Other Government Grants-In-Aid	1,810,948	0	0	0	1,810,948
Patron Fines and Fees	896,112	0	0	0	896,112
Earnings on Investments	694,639	0	150,840	19,561	865,040
Services Provided to Other Entities	4,868	0	0	0	4,868
Contributions, Gifts and Donations	15,295	0	0	269,111	284,406
Miscellaneous Receipts	160,239	6,675	0	13,003	179,917
Total Cash Receipts	<u>45,288,449</u>	<u>6,675</u>	<u>150,840</u>	<u>301,675</u>	<u>45,747,639</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	27,398,581	0	0	0	27,398,581
Supplies	990,599	0	0	7,350	997,949
Purchased and Contracted Services	7,007,036	6,470	0	3,251	7,016,757
Library Materials and Info	7,505,845	0	0	8,947	7,514,792
Other Objects	42,242	0	0	5,312	47,554
Capital Outlay	1,990,019	0	564,626	42,659	2,597,304
Total Cash Disbursements	<u>44,934,322</u>	<u>6,470</u>	<u>564,626</u>	<u>67,519</u>	<u>45,572,937</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>354,127</u>	<u>205</u>	<u>(413,786)</u>	<u>234,156</u>	<u>174,702</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	9,741	0	0	0	9,741
Transfers-In	0	0	1,345,024	16,787	1,361,811
Transfers-Out	(1,363,177)	0	0	0	(1,363,177)
Total Other Financing Receipts/(Disbursements)	<u>(1,353,436)</u>	<u>0</u>	<u>1,345,024</u>	<u>16,787</u>	<u>8,375</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(999,309)</u>	<u>205</u>	<u>931,238</u>	<u>250,943</u>	<u>183,077</u>
Fund Cash Balances, January 1	<u>7,539,617</u>	<u>0</u>	<u>5,694,606</u>	<u>793,578</u>	<u>14,027,801</u>
Fund Cash Balances, December 31	<u>\$6,540,308</u>	<u>\$205</u>	<u>\$6,625,844</u>	<u>\$1,044,521</u>	<u>\$14,210,878</u>
Reserves for Encumbrances, December 31	<u>\$5,473,277</u>	<u>\$0</u>	<u>\$312,262</u>	<u>\$33,221</u>	<u>\$5,818,760</u>

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

**CUYAHOGA COUNTY PUBLIC LIBRARY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	\$2,100	\$0	\$2,100
Contributions, Gifts and Donations	5,016	0	5,016
	<u>7,116</u>	<u>0</u>	<u>7,116</u>
Operating Cash Disbursements:			
Current:			
Library Materials and Info	2,999	0	2,999
Other Objects	0	2,365	2,365
	<u>2,999</u>	<u>2,365</u>	<u>5,364</u>
Operating Income/(Loss)	<u>4,117</u>	<u>(2,365)</u>	<u>1,752</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	4,117	(2,365)	1,752
Transfers-In	<u>1,366</u>	<u>0</u>	<u>1,366</u>
Net Receipts Over/(Under) Disbursements	5,483	(2,365)	3,118
Fund Cash Balances, January 1	<u>64,855</u>	<u>10,972</u>	<u>75,827</u>
Fund Cash Balances, December 31	<u>\$70,338</u>	<u>\$8,607</u>	<u>\$78,945</u>
Reserves for Encumbrances, December 31	<u>\$669</u>	<u>\$0</u>	<u>\$669</u>

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

**CUYAHOGA COUNTY PUBLIC LIBRARY
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, 1998**

	<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:				
Property and Other Local Taxes	\$40,081,526	\$0	\$0	40,081,526
Other Government Grants-In-Aid	1,808,750	0	0	1,808,750
Patron Fines and Fees	862,357	0	0	862,357
Earnings on Investments	821,520	0	0	821,520
Services Provided to Other Entities	5,124	0	0	5,124
Contributions, Gifts and Donations	16,240	0	21,760	38,000
Miscellaneous Receipts	329,689	0	21,797	351,486
	<u>43,925,206</u>	<u>0</u>	<u>43,557</u>	<u>43,968,763</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	25,285,199	0	0	25,285,199
Supplies	955,445	0	15,617	971,062
Purchased and Contracted Services	5,878,258	0	3,361	5,881,619
Library Materials and Info	6,242,124	0	6,153	6,248,277
Other Objects	69,581	0	4,210	73,791
Capital Outlay	2,922,145	524,549	39,115	3,485,809
	<u>41,352,752</u>	<u>524,549</u>	<u>68,456</u>	<u>41,945,757</u>
Total Cash Disbursements	<u>41,352,752</u>	<u>524,549</u>	<u>68,456</u>	<u>41,945,757</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>2,572,454</u>	<u>(524,549)</u>	<u>(24,899)</u>	<u>2,023,006</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	10,708	0	0	10,708
Transfers-In	0	2,802,892	36,629	2,839,521
Transfers-Out	(2,841,914)	0	0	(2,841,914)
	<u>(2,831,206)</u>	<u>2,802,892</u>	<u>36,629</u>	<u>8,315</u>
Total Other Financing Receipts/(Disbursements)	<u>(2,831,206)</u>	<u>2,802,892</u>	<u>36,629</u>	<u>8,315</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(258,752)	2,278,343	11,730	2,031,321
Fund Cash Balances, January 1	7,798,369	3,416,263	781,848	11,996,480
Fund Cash Balances, December 31	<u>\$7,539,617</u>	<u>\$5,694,606</u>	<u>\$793,578</u>	<u>\$14,027,801</u>
Reserves for Encumbrances, December 31	<u>\$5,263,598</u>	<u>\$15,510</u>	<u>\$18,320</u>	<u>\$5,297,428</u>

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

**CUYAHOGA COUNTY PUBLIC LIBRARY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Fiduciary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Nonexpendable Trust</u>	<u>Agency</u>	
Operating Cash Receipts:			
Earnings on Investments	\$1,115	\$0	\$1,115
Contributions, Gifts and Donations	0	0	0
Total Operating Cash Receipts	<u>1,115</u>	<u>0</u>	<u>1,115</u>
Operating Cash Disbursements:			
Current:			
Library Materials and Information	3,165	0	3,165
Other Objects	0	2,020	2,020
Total Operating Cash Disbursements	<u>3,165</u>	<u>2,020</u>	<u>5,185</u>
Operating Income/(Loss)	<u>(2,050)</u>	<u>(2,020)</u>	<u>(4,070)</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts	<u>0</u>	<u>5,014</u>	<u>5,014</u>
Total Non-Operating Cash Receipts	<u>0</u>	<u>5,014</u>	<u>5,014</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(2,050)	2,994	944
Transfers-In	<u>2,393</u>	<u>0</u>	<u>2,393</u>
Net Receipts Over/(Under) Disbursements	343	2,994	3,337
Fund Cash Balances, January 1	<u>64,512</u>	<u>7,978</u>	<u>72,490</u>
Fund Cash Balances, December 31	<u>\$64,855</u>	<u>\$10,972</u>	<u>\$75,827</u>
Reserves for Encumbrances, December 31	<u>\$709</u>	<u>\$0</u>	<u>\$709</u>

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

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Cuyahoga County Public Library, Cuyahoga 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 County Commissioners and the Common Pleas Judges. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

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

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

Friends of the Library

Each Library has a Friends of the Library organization. The Friends organizations were developed through community members who support the Library through membership fees and fund-raising activities. The Library exercised no financial control over these organizations. The Friends Treasurer's Report can be obtained through each organization's Treasurer. Financial information for each Friends Organization are listed below:

Branch	Tax Exempt (Yes or No)	Total Donations to Library 1998 and 1999 (Unaudited)	Total Assets 12-31-99 (Unaudited)
Bay Village	Yes	\$23,203	\$26,123
Beachwood	Yes	\$15,945	\$36,800
Berea	No	\$6,694	\$16,410
Brecksville	Yes	\$10,675	\$24,257
Brookpark	Yes	\$3,783	\$6,973
Brooklyn	Yes	\$9,508	\$6,829
Chagrin Falls	Yes	\$19,799	\$33,866
Fairview Park	Yes	\$11,848	\$28,828

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

Friends of the Library (Continued)

Branch	Tax Exempt (Yes or No)	Total Donations to Library 1998 and 1999 (Unaudited)	Total Assets 12-31-99 (Unaudited)
Garfield Heights	Yes	\$3,543	\$3,968
Gates Mills	Yes	\$42,852	\$121,525
Independence	Yes	\$6,324	\$6,137
Maple Heights	Yes	\$11,889	\$23,234
Mayfield	Yes	\$33,287	\$34,558
Middleburg Heights	Yes	\$0	\$1,659
North Olmsted	No	\$7,018	\$4,719
North Royalton	No	\$8,292	\$9,071
Olmsted Falls	Yes	\$4,952	\$2,538
Orange	Yes	\$25,939	\$35,664
Parma Heights	Yes	\$8,655	\$8,019
Parma	Yes	\$20,034	\$35,469
Solon	Yes	\$34,384	\$12,971
South Euclid- Lyndhurst	No	\$21,804	\$4,456
Southeast	No	\$2,801	\$2,986
Strongsville	No	\$5,209	\$5,988
Warrensville Heights	Yes	\$1,428	\$2,139

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Ohio Humanities Grant - Used to account for the receipt and disbursement of funds for programs presented in various libraries within the system.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

Capital Fund - This fund is used to account for financial resources to be used for the acquisition of furniture and equipment.

4. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant fiduciary fund:

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. Fiduciary Funds (Trust and Agency Funds) (Continued)

Trust Fund (Branch Regular/Special) - This fund is used to account for financial resources to be used for the acquisition of furniture and equipment from donations.

E. Budgetary Process

The Ohio Administrative Code requires that each fund, except agency funds, be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$3,007,636	\$361,501
STAR Ohio	<u>11,282,187</u>	<u>13,742,127</u>
Total deposits and investments	<u>\$14,289,823</u>	<u>\$14,103,628</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or 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, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,424,246	\$45,298,190	(\$126,056)
Special Revenue	6,650	6,675	25
Capital Projects	1,488,094	1,495,864	7,770
Fiduciary	<u>299,851</u>	<u>326,944</u>	<u>27,093</u>
Total	<u>\$47,218,841</u>	<u>\$47,127,673</u>	<u>(\$91,168)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,963,863	\$51,770,776	\$1,193,087
Special Revenue	6,650	6,470	180
Capital Projects	1,130,530	876,888	253,642
Fiduciary	<u>184,503</u>	<u>104,408</u>	<u>80,095</u>
Total	<u>\$54,285,546</u>	<u>\$52,758,542</u>	<u>\$1,527,004</u>

**CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$44,018,141	\$43,935,914	(\$82,227)
Capital Projects	2,818,939	2,802,892	(16,047)
Fiduciary	85,200	83,694	(1,506)
Total	\$46,922,280	\$46,822,500	(\$99,780)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$53,308,421	\$49,458,264	\$3,850,157
Capital Projects	632,233	540,059	92,174
Fiduciary	233,198	90,650	142,548
Total	\$54,173,852	\$50,088,973	\$4,084,879

4. GRANTS-IN-AID AND TAX RECEIPTS

One 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.

Another source of Library revenue is tax revenue. 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 Government Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

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

CUYAHOGA COUNTY PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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. The Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health insurance to employees through a private carrier. Dental coverage is also provided.

7. CONTINGENT LIABILITIES

The Library is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, counsel believes that the resolution of this matter will not materially adversely affect the Library's financial condition.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

Cuyahoga County Public Library
Cuyahoga County
2111 Snow Road
Parma, Ohio 44134

To the Board of Trustees:

We have audited the financial statements of the Cuyahoga County Public Library, Cuyahoga County, Ohio (the Library), as of and for the years ended December 31, 1999 and December 31, 1998 and have issued our report thereon dated May 10, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. 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 May 10, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 10, 2000



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

CUYAHOGA PUBLIC LIBRARY

CUYAHOGA 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 27, 2000**