



**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY**

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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**

Kirtland Public Library  
Lake County  
9267 Chillicothe Road  
Kirtland, Ohio 44094

To the Board of Trustees:

We have audited the accompanying financial statements of the Kirtland Public Library, Lake 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 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 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 and reserves for encumbrances of the Kirtland Public Library, Lake County, Ohio, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2001 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of 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.

**Jim Petro**  
Auditor of State

April 30, 2001

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**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types		Fiduciary Fund	Totals (Memorandum Only)
	General	Capital Projects	Non-Expendable Trust	
<b>Cash Receipts:</b>				
Other Local Taxes	\$553,842	\$0	\$0	\$553,842
Patron Fines and Fees	15,194	0	0	15,194
Earnings on Investments	4,586	9,139	1,534	15,259
Contributions, Gifts and Donations	6,084	20,685	250	27,019
Miscellaneous Receipts	595	0	0	595
Total Cash Receipts	<u>580,301</u>	<u>29,824</u>	<u>1,784</u>	<u>611,909</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	264,351	0	0	264,351
Supplies	8,198	0	0	8,198
Purchased and Contracted Services	121,069	0	0	121,069
Library Materials and Information	109,822	0	0	109,822
Other Objects	1,413	0	0	1,413
Capital Outlay	355	0	0	355
Debt Service	163,614	0	0	163,614
Total Cash Disbursements	<u>668,822</u>	<u>0</u>	<u>0</u>	<u>668,822</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(88,521)</u>	<u>29,824</u>	<u>1,784</u>	<u>(56,913)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	130,000	15,000	0	145,000
Transfers-Out	(15,000)	(130,000)	0	(145,000)
Total Other Financing Receipts/(Disbursements)	<u>115,000</u>	<u>(115,000)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	26,479	(85,176)	1,784	(56,913)
Fund Cash Balances, January 1, 2000	<u>80,310</u>	<u>133,874</u>	<u>24,246</u>	<u>238,430</u>
<b>Fund Cash Balances, December 31, 2000</b>	<b><u>\$106,789</u></b>	<b><u>\$48,698</u></b>	<b><u>\$26,030</u></b>	<b><u>\$181,517</u></b>
Reserves for Encumbrances, December 31, 2000	<u>\$9,652</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,652</u>

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

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

	Governmental Fund Types		Fiduciary Fund	Totals (Memorandum Only)
	General	Capital Projects	Non-Expendable Trust	
<b>Cash Receipts:</b>				
Other Local Taxes	\$518,017	\$0	\$0	\$518,017
Patron Fines and Fees	14,165	0	0	14,165
Earnings on Investments	10,678	0	1,052	11,730
Contributions, Gifts and Donations	13,777	27,751	0	41,528
Miscellaneous Receipts	1,949	0	0	1,949
<b>Total Cash Receipts</b>	<b>558,586</b>	<b>27,751</b>	<b>1,052</b>	<b>587,389</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	309,688	0	0	309,688
Supplies	8,790	0	0	8,790
Purchased and Contracted Services	126,642	0	0	126,642
Library Materials and Information	81,944	0	0	81,944
Other Objects	1,324	0	0	1,324
Capital Outlay	4,484	0	0	4,484
Debt Service	43,409	0	0	43,409
<b>Total Cash Disbursements</b>	<b>576,281</b>	<b>0</b>	<b>0</b>	<b>576,281</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(17,695)	27,751	1,052	11,108
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Surplus Property	2,025	0	0	2,025
Transfers-In	25,200	16,442	11,500	53,142
Transfers-Out	(27,942)	(25,200)	0	(53,142)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(717)</b>	<b>(8,758)</b>	<b>11,500</b>	<b>2,025</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,412)	18,993	12,552	13,133
Fund Cash Balances, January 1, 1999	98,722	114,881	11,694	225,297
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$80,310</b>	<b>\$133,874</b>	<b>\$24,246</b>	<b>\$238,430</b>
Reserves for Encumbrances, December 31, 1999	\$11,192	\$0	\$0	\$11,192

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



**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Kirtland Public Library, Lake County, Ohio, (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 Kirtland Board of Education. 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 entity which performs activities within the Library's boundaries for the benefit of its residents is excluded from the accompanying financial statements because the Library is not financially accountable for this entity nor is it fiscally dependent on the Library.

Friends of the Kirtland Public Library was organized to maintain an association of persons interested in libraries; to focus public attention on the Kirtland Public Library; to stimulate the use of the library's resources and services; to receive and encourage gifts, endowments and bequests to the library; to support and cooperate with the library in developing library services and facilities for the community; The Library exercised no financial control over this organization. The Library received financial contributions from the Friends organization during fiscal period January 1, 1999 through December 31, 2000 totaling \$15,570. Total cash assets (unaudited) of the Friends of Kirtland Public Library at December 31, 2000 amounted to \$8,835. The Friends Treasurer's Report (unaudited) can be obtained through Kent Packer, Treasurer.

**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. Investments**

The Library invested in STAR Ohio (the State Treasurer's investment pool) which is valued at amounts reported by the State Treasurer.

**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Fund - This fund is used for the purpose of repairing, improving, furnishing and equipping the existing library facilities. Primary source of funding is through gifts and donations. Primary expense is transfers to General Fund for payment of lease purchase of library building. Library owns building as of December 2000.

**3. Fiduciary Fund (Trust Fund)**

The Trust fund is 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 nonexpendable trust fund:

Golden Egg Endowment Fund - This endowment fund is used for Library projects which are approved by the Board of Trustees.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) should not exceed appropriations at the fund, function level of control. The Board of Trustees approve appropriation measures and subsequent amendments. The Library sends a copy of the annual appropriation measure and subsequent amendments to the County Budget Commission. 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.

**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Unpaid Vacation and Sick Leave**

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

**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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$68,025	\$21,517
Total deposits	68,025	21,517
STAR Ohio	113,492	216,913
Total investments	113,492	216,913
Total deposits and investments	\$181,517	\$238,430

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$710,302	\$710,301	(\$1)
Capital Projects	44,824	44,824	0
Fiduciary	1,784	1,784	0
Total	<u>\$756,910</u>	<u>\$756,909</u>	<u>(\$1)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$790,612	\$693,474	\$97,138
Capital Projects	178,698	130,000	48,698
Fiduciary	1,784	0	\$1,784
Total	<u>\$971,094</u>	<u>\$823,474</u>	<u>\$147,620</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$585,811	\$585,811	\$0
Capital Projects	44,194	44,193	(1)
Fiduciary	12,552	12,552	0
Total	<u>\$642,557</u>	<u>\$642,556</u>	<u>(\$1)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$684,533	\$615,415	\$69,118
Capital Projects	59,394	25,200	34,194
Fiduciary	1,127	0	\$1,127
Total	<u>\$745,054</u>	<u>\$640,615</u>	<u>\$104,439</u>

**KIRTLAND PUBLIC LIBRARY  
LAKE COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(CONTINUED)**

**4. GRANTS-IN-AID AND TAX RECEIPTS**

The primary source of revenue for Kirtland Public Library 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. These monies are receipted as Other Local Taxes.

The Lake County is responsible for distributing all Local Government Support Fund revenue on behalf of the Library.

**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 for 1999 and 10.84% for 2000. 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

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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

Kirtland Public Library  
Lake County  
9267 Chillicothe Road  
Kirtland, Ohio 44094

To the Board of Trustees:

We have audited the accompanying financial statements of the Kirtland Public Library, Lake County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 30, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audits, we considered 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 certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 30, 2001.

This report is intended for the information and use of Management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

April 30, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**KIRTLAND 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  
MAY 17, 2001**