



**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



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

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**STATE OF OHIO**



**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2001 .....	3
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 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

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## REPORT OF INDEPENDENT ACCOUNTANTS

Twinsburg Public Library  
Summit County  
10050 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Trustees:

We have audited the accompanying financial statements of the Twinsburg Public Library, Summit County, Ohio, (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 fund cash balances and reserves for encumbrances of the Library as of December 31, 2001 and 2000, and its 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 March 6, 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.

**Jim Petro**  
Auditor of State

March 6, 2002

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**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$623,255			\$623,255
Other Governments Grants-In-Aid	1,233,810	\$19,235		1,253,045
Patron Fines and Fees	56,987			56,987
Earnings on Investments	13,210		\$31,667	44,877
Contributions, Gifts and Donations	780		4,804	5,584
Miscellaneous	2,119			2,119
<b>Total Cash Receipts</b>	<u>1,930,161</u>	<u>19,235</u>	<u>36,471</u>	<u>1,985,867</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	941,885			941,885
Purchased and Contracted Services	213,131	11,500		224,631
Other Objects	489,185	1,527		490,712
Capital Outlay	67,766			67,766
<b>Total Cash Disbursements</b>	<u>1,711,967</u>	<u>13,027</u>	<u>0</u>	<u>1,724,994</u>
<b>Total Cash Receipts Over Cash Disbursements</b>	<u>218,194</u>	<u>6,208</u>	<u>36,471</u>	<u>260,873</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		8,400	250,000	258,400
Transfers-Out	(258,400)			(258,400)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(258,400)</u>	<u>8,400</u>	<u>250,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(40,206)	14,608	286,471	260,873
Fund Cash Balances, January 1	287,504		761,994	1,049,498
<b>Fund Cash Balances, December 31</b>	<u><b>\$247,298</b></u>	<u><b>\$14,608</b></u>	<u><b>\$1,048,465</b></u>	<u><b>\$1,310,371</b></u>
Reserves for Encumbrances, December 31	<u>\$71,236</u>	<u>\$4,586</u>	<u>\$0</u>	<u>\$75,822</u>

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

**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

**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>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$574,388			\$574,388
Other Governments Grants-In-Aid	1,177,757			1,177,757
Patron Fines and Fees	55,699			55,699
Earnings on Investments	17,264	\$33,818	\$2,049	53,131
Contributions, Gifts and Donations	140	536	360	1,036
Miscellaneous	3,259			3,259
	<u>1,828,507</u>	<u>34,354</u>	<u>2,409</u>	<u>1,865,270</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	860,045		2,393	862,438
Purchased and Contracted Services	194,444			194,444
Other Objects	444,876		147,481	592,357
Capital Outlay	67,390			67,390
	<u>1,566,755</u>	<u>0</u>	<u>149,874</u>	<u>1,716,629</u>
Total Cash Disbursements				
	<u>1,566,755</u>	<u>0</u>	<u>149,874</u>	<u>1,716,629</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>261,752</u>	<u>34,354</u>	<u>(147,465)</u>	<u>148,641</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		200,000		200,000
Transfers-Out	(200,000)			(200,000)
	<u>(200,000)</u>	<u>200,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(200,000)</u>	<u>200,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	61,752	234,354	(147,465)	148,641
Fund Cash Balances, January 1	<u>225,752</u>	<u>527,640</u>	<u>147,465</u>	<u>900,857</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$287,504</u></b>	<b><u>\$761,994</u></b>	<b><u>\$0</u></b>	<b><u>\$1,049,498</u></b>
Reserves for Encumbrances, December 31	<u>\$184,992</u>	<u>\$0</u>	<u>\$0</u>	<u>\$184,992</u>

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



**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Twinsburg Public Library, Summit 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 Twinsburg City School District's 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.

The Twinsburg Public Library Foundation, Inc. is not a part of the reporting entity and is excluded from the accompanying financial statements. The Foundation is a separate corporate body. The Foundation's affairs are managed by a Board of Trustees consisting of 11 interested persons residing in the State of Ohio. Currently, two Library Board of Trustees and the Executive Director serve on the Foundation's Board to assist in the establishment of the Foundation. The Foundation is organized exclusively for charitable, educational and scientific purposes. During 2000, the Library contributed \$147,471 to the Twinsburg Public Library Foundation, Inc.

**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.

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.

**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

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

**D. Fund Accounting (Continued)**

**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 expenditure for specific purposes. The Library's only Special Revenue Fund is the LSTA Grant Fund which receives grant money from the State Library of Ohio to purchase library reference material.

**3. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library's only Capital Project Fund is the Building and Repair Fund which receives monies to repair the existing building structure.

**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 non-expendable trust fund. Other trust funds are classified as expendable. The Library's only Fiduciary Funds is the Memorial Trust Fund which receives money from a bequest, and monies are expended at the discretion of the Board. The Board closed this fund in March 2000.

**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 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 re-appropriated.

**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

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

**E. Budgetary Process (Continued)**

**3. Encumbrances (Continued)**

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. As a result, the Libraries are no longer required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 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. 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:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$12,423	\$41,231
STAR Ohio	<u>1,297,948</u>	<u>1,008,267</u>
Total deposits and investments	<u><u>\$1,310,371</u></u>	<u><u>\$1,049,498</u></u>

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

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

**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,909,114	\$1,930,161	\$21,047
Special Revenue	27,635	27,635	0
Capital Projects	280,000	286,471	6,471
Total	\$2,216,749	\$2,244,267	\$27,518

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,196,618	\$2,041,603	\$155,015
Special Revenue	33,430	17,613	15,817
Capital Projects	200,000	0	200,000
Total	\$2,430,048	\$2,059,216	\$370,832

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,779,126	\$1,828,507	\$49,381
Capital Projects	11,000	234,354	223,354
Fiduciary	2,409	2,409	0
Total	\$1,792,535	\$2,065,270	\$272,735

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,992,709	\$1,951,747	\$40,962
Capital Projects	210,000	0	210,000
Fiduciary	149,874	149,874	0
Total	\$2,352,583	\$2,101,621	\$250,962

**TWINSBURG PUBLIC LIBRARY  
SUMMIT COUNTY**

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

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

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

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. 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 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 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.

**6. RISK MANAGEMENT**

**Commercial Insurance**

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 insurance 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**

Twinsburg Public Library  
Summit County  
10050 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Trustees:

We have audited the accompanying financial statements of the Twinsburg Public Library, Summit County, Ohio, (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 6, 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 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 March 6, 2002.

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.

**Jim Petro**  
Auditor of State

March 6, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**TWINSBURG PUBLIC LIBRARY**

**SUMMIT 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  
APRIL 18, 2002**