

TOMPKINS COUNTY PUBLIC LIBRARY

Ithaca, New York

Report on Audit of Financial Statements

December 31, 2001 and 2000

TOMPKINS COUNTY PUBLIC LIBRARY

DECEMBER 31, 2001 and 2000

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tompkins County Public Library
Ithaca, New York

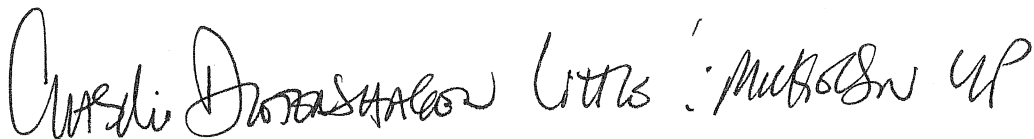
We have audited the accompanying financial statements of the Tompkins County Public Library, a component unit of the County of Tompkins, as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Tompkins County Public Library's management. Our 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tompkins County Public Library, as of December 31, 2001 and 2000, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2002 on our consideration of the Tompkins County Public 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 audit.

April 28, 2002
Ithaca, New York

 Charles J. Johnson
CPA

TOMPKINS COUNTY PUBLIC LIBRARY
COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31.

	2001		2000			
	Governmental Fund Types	Account Groups		Governmental Fund Types	Account Groups	
		General	Fixed Assets		General	Fixed Assets
ASSETS						
Cash and Cash Equivalents	\$ 256,239	\$	\$	\$	\$	
Accounts Receivable	25,476					
Prepaid Expenses	5,151					
Fixed Assets		1,171,460		973,487		77,959
Provision to be Made in Future Budgets						
Total Assets	\$ 286,866	\$ 1,171,460	\$ 231,970	\$ 973,487	\$	\$ 77,959
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts Payable	\$ 59,965	\$	\$ 79,590	\$	\$	
Accrued Liabilities	36,734		28,139			77,959
Compensated Absences						
Total Liabilities	96,699		107,729			77,959
Equity						
Investments in General Fixed Assets		1,171,460		973,487		
Fund Balances - Reserved	15,993		56,093			
Reserved for Retirement						
Reserved for Equipment						
Reserved for Memorials						
Total Reserved	15,993		56,093			
Fund Balances - Unreserved						
Appropriated - Ensuing Year's Budget	26,300		67,697			
Unappropriated	147,074		451			
Total Unreserved	173,374		68,148			
Total Fund Balance	189,367		124,241			
Total Equity	189,367	1,171,460	124,241	973,487		
Total Liabilities and Fund Equity	\$ 286,066	\$ 1,171,460	\$ 231,970	\$ 973,487	\$	\$ 77,959

See Independent Auditors' Report and Notes to Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY
 COMBINED STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31.

	2001	2000
	Governmental Fund Types	Governmental Fund Types
	General	General
Revenue:		
State Source	\$ 29,170	\$ 160,156
Tompkins County	2,044,982	1,629,810
City of Ithaca	8,375	8,298
Friends of TCPL	160,000	160,000
CLD Grant	105,000	108,549
Gifts and Donations	549,224	292,876
Library Charges	125,892	93,503
Use of Money and Property	9,852	14,389
Rental of Real Property	-0-	30,300
Other Revenue	19,311	40,686
	3,051,806	2,538,567
 Total Revenue		
Expenditures:		
Salaries	1,515,927	1,260,570
Fringe Benefits	141,958	110,416
Health Insurance	229,640	191,713
Books	363,651	191,310
Periodicals	13,786	11,350
AV/CD ROM Materials	126,894	101,178
Insurance	8,373	8,087
Repairs and Maintenance	18,040	14,385
Supplies and Materials	35,390	32,990
Telephone	19,949	9,357
Postage	16,219	12,619
Finger Lakes Library Services	70,000	51,000
Professional Fees	184,791	114,356
Membership Dues	1,286	1,276
Equipment	197,973	402,662
Staff Development	17,935	12,014
Publicity & Printing	16,000	11,153
Miscellaneous	8,068	7,028
	2,985,880	2,543,464
 Total Expenses		
 EXCESS OF REVENUES (EXPENDITURES)	65,926	(4,897)
 Fund Balance, January 1,	124,241	129,138
 Fund Balance, December 31,	\$ 190,167	\$ 124,241

See Independent Auditors' Report and Notes to Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY
COMPARATIVE OPERATING STATEMENTS FOR THE GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31.

	2001				2000			
	Modified Budget	Actual	Encumbrances	Variance Fav.-Unfav.	Modified Budget	Actual	Encumbrances	Variance Fav.-Unfav.
Revenue:								
State Source	\$ 29,170	\$ 29,170	\$	\$ -0-	\$ 159,170	\$ 160,156	\$	\$ 986
Tompkins County	2,044,982	2,044,982		-0-	1,629,810	1,629,810		-0-
City of Ithaca	8,000	8,375		375	7,500	8,298		798
Friends of TCPL	160,000	160,000		-0-	160,000	160,000		-0-
CLD Grant	105,000	105,000		-0-	105,000	108,549		3,549
Gifts and Donations	551,851	549,224		(2,627)	296,800	292,876		(3,924)
Library Charges	100,500	125,892		25,392	94,000	93,503		(497)
Use of Money and Property	10,000	9,852		(148)	15,000	14,389		(611)
Rental of Real Property				-0-	30,300	30,300		-0-
Other Revenue	6,000	19,311		13,311	6,000	40,686		34,686
Total Revenue	3,015,503	3,051,806		36,303	2,503,580	2,538,567		34,987
Expenditures:								
Salaries	1,567,205	1,515,927		51,278	1,261,051	1,260,570		481
Fringe Benefits	158,173	141,958		16,215	110,844	110,416		428
Health Insurance	250,000	229,640		20,360	191,835	191,713		122
Books	369,815	363,651		6,164	206,211	191,310		14,901
Periodicals	14,500	13,786		714	13,000	11,350		1,650
AV/CD ROM Materials	150,300	126,894		23,406	103,885	101,178		2,707
Insurance	10,000	8,373		1,627	8,090	8,087		3
Repairs and Maintenance	21,971	18,040		3,931	14,991	14,385		606
Supplies and Materials	35,800	35,390		410	37,525	32,990		4,535
Telephone	22,000	19,949		2,051	9,400	9,357		43
Postage	16,300	16,219		81	12,620	12,619		1
Finger Lakes Library Services	70,000	70,000		-0-	51,000	51,000		-0-
Professional Fees	184,869	184,791		78	114,415	114,356		59
Membership Dues	1,500	1,286		214	1,500	1,276		224
Equipment	198,450	197,973		477	402,700	402,662		38
Staff Development	20,000	17,935		2,065	18,000	12,014		5,986
Publicity and Printing	16,017	16,000		17	11,217	11,153		64
Miscellaneous	16,300	8,068		8,232	7,890	7,028		862
Total Expenditures	3,123,200	2,985,880		137,320	2,576,174	2,543,464		32,710
EXCESS OF (EXPENDITURES) REVENUES	(107,697)	65,926		173,623	(72,594)	(4,897)		67,697
Appropriated Fund Balance	107,697			(107,697)	72,594			(72,594)
Fund Balance, January 1,	-0-	124,241		124,241	-0-	129,138		129,138
Fund Balance, December 31,	-0-	\$ 190,167		\$ 190,167	\$ -0-	\$ 124,241		\$ 124,241

See Independent Auditors' Report and Notes to Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 and 2000

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Tompkins County Public Library is a component unit of the County of Tompkins. The Library was established in 1968 by the Tompkins County Board of Supervisors and granted a charter by State Board of Regents as provided in Article 5 of the Education Law. The Tompkins County Board of Representatives appoints trustees; raises taxes for Library purposes; has title to real property used by the Library; and issues all Library indebtedness, which is supported by the full faith and credit of the County of Tompkins.

The Tompkins County Public Library was established to provide public access to various published mediums, including books, periodicals, reference materials, and various audiovisual materials. The Library is a member of the Finger Lakes Library System, which provides a cooperative network of libraries through which library resources may be acquired and exchanged. The Library is chartered to serve Tompkins County and is partially funded by New York State to extend services to residents of Cayuga, Seneca, Cortland, and Tioga Counties.

B. Basis of Presentation - Fund Accounting

The Tompkins County Public Library uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Tompkins County Public Library records its transactions in the fund types and account groups described below:

1. Fund Categories

Governmental Fund Types - are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position. The following is the Tompkins County Public Library's Governmental Fund Type:

General Fund - is the principal operating fund and includes all operations not required to be recorded in other funds.

2. Account Groups

Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not "funds". They are concerned only with the measurement of financial position, and not results of operations.

General Fixed Assets Account Group - used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes.

General Long-Term Debt Account Group - used to account for all long-term debt.

TOMPKINS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2001 and 2000

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

Modified Accrual Basis - all Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenues that are accrued include state and federal aid, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of the purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid. (See Note 1-F)

Account Groups - General fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair value at the time received. No provision for depreciation is made. General long-term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity.

D. Budgetary Data - Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General Fund. Encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

E. Property, Plant, and Equipment

Fixed assets purchased for general governmental purposes are recorded as expenditures in the Governmental Funds and are capitalized at cost in the General Fixed Asset Account Group. Contributed fixed assets are recorded at fair value at the date received. No depreciation has been provided on general fixed assets, nor has interest on general fixed assets construction in process been capitalized.

TOMPKINS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2001 and 2000

F. Vacation and Compensatory Absences

Tompkins County Public Library employees are granted vacation and earn compensatory absences in varying amounts. From two to four weeks of vacation time, depending upon length of employment, is earned by each full-time permanent and provisional employee. Benefits accrue upon commencement of employment. Upon termination of employment, employees are compensated for unused vacation time up to a maximum of two years. The value of these benefits is approximately \$96,503 and \$77,959 at December 31, 2001 and 2000, respectively, and is recorded in the General Long-Term Debt Account Group.

G. Postemployment Benefits

The Tompkins County Public Library provides postemployment health insurance coverage to its retired employees in accordance with provisions governed by Tompkins County. The Tompkins County Public Library recognized, in health insurance expenditures, the cost of providing benefits for the periods ended December 31, 2001 and 2000 by recording \$36,180 and \$42,082, respectively, its share of premiums for currently enrolled retirees.

Note 2 - Detail Notes on All Funds and Account Groups

A. Assets

1. Cash and Investments

The Tompkins County Public Library's investment policies are governed by state statutes. In addition, the Tompkins County Public Library follows its written investment policy. Tompkins County Public Library's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral (security) is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance at 105 percent. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts as set forth in the investment policy.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least the cost of the repurchase agreements.

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less.

Deposits and investments are valued at cost or cost plus interest, and are categorized as either (1) insured and for which the collateral is held by the Tompkins County Public Library's agent in the Library's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Tompkins County Public Library's name, (3) uncollateralized.

TOMPKINS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
DECEMBER 31, 2001 and 2000

Total financial institution (bank) balances at December 31, 2001, per the bank, were \$269,908. These deposits are categorized as follows:

<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying Value</u>
\$ <u>269,908</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>256,239</u>

2. Books and Inexhaustible Collections

Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the Library has not capitalized them. Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

3. Fixed Assets

The Library recognizes equipment purchases greater than \$1,000 as fixed assets. Changes in fixed assets for 2001 and 2000 are as follows:

2001				
	12/31/00	Additions	Deletions	12/31/01
Equipment	\$ <u>973,487</u>	\$ <u>197,973</u>	\$ <u> </u>	\$ <u>1,171,460</u>
2000				
	12/31/99	Additions	Deletions	12/31/00
Equipment	\$ <u>591,699</u>	\$ <u>383,434</u>	\$ <u>1,646</u>	\$ <u>973,487</u>

No depreciation has been provided on general fixed assets.

B. Reserves

The Operating Fund Equity includes operating Reserve Funds established for the following purposes as of December 31,:

Purpose	2001	2000
Retirement	\$ <u>15,993</u>	\$ <u>56,093</u>

Note 3 - Donated Services

The Library receives services from volunteers, but does not value, record, or report the value for such in the accompanying financial statements.

Note 4 - Related Parties

The Tompkins County Public Library received contributions of \$549,224 and \$292,876 from the Tompkins County Library Foundation for the years ended December 31, 2001 and 2000, respectively.

The Tompkins County Public Library received contributions of \$160,000 and \$160,000 from the Friends of the Tompkins County Public Library for the years ended December 31, 2001 and 2000.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Tompkins County Public Library
Ithaca, New York

We have audited the financial statements of the Tompkins County Public Library as of and for the year ended December 31, 2001, and have issued our report thereon dated April 28, 2002. We conducted our audit 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

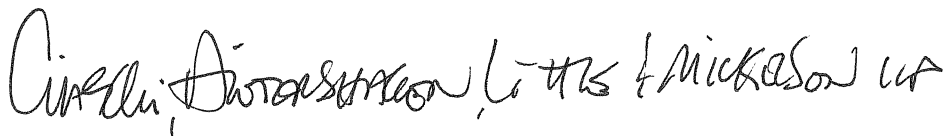
As part of obtaining reasonable assurance about whether the Tompkins County Public Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tompkins County Public 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.

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

April 28, 2002
Ithaca, New York

A handwritten signature in black ink, appearing to read "Cynthia J. Anderson, CPA". The signature is written in a cursive style and is positioned to the right of the date and location text.