



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Pemberville Public Library
Wood County
375 East Front Street
P.O. Box 809
Pemberville, Ohio 43450-0809

To the Board of Trustees:

We have audited the accompanying financial statements of Pemberville Public Library, Wood County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 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 audit.

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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2000 and 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 August 23, 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 audit.

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

August 23, 2001

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | Governmental Fund Types | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|---|
| | General | Special Revenue | |
| Cash Receipts: | | | |
| Other Government Grants-In-Aid | \$440,112 | \$13,200 | \$453,312 |
| Patron Fines and Fees | 7,222 | | 7,222 |
| Earnings on Investments | 15,597 | | 15,597 |
| Contributions, Gifts and Donations | 3,211 | | 3,211 |
| Miscellaneous Receipts | 5,833 | | 5,833 |
| Total Cash Receipts | 471,975 | 13,200 | 485,175 |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 248,315 | | 248,315 |
| Supplies | 10,985 | 1,600 | 12,585 |
| Purchased and Contracted Services | 59,713 | 6,750 | 66,463 |
| Library Materials and Information | 78,898 | | 78,898 |
| Other Objects | 1,524 | | 1,524 |
| Capital Outlay | 33,978 | 6,846 | 40,824 |
| Total Cash Disbursements | 433,413 | 15,196 | 448,609 |
| Total Cash Receipts Over/(Under) Cash Disbursements | 38,562 | (1,996) | 36,566 |
| Other Financing Receipts/(Disbursements): | | | |
| Transfers-In | | 2,000 | 2,000 |
| Transfers-Out | (2,000) | | (2,000) |
| Total Other Financing Receipts/(Disbursements) | (2,000) | 2,000 | |
| Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements | 36,562 | 4 | 36,566 |
| Fund Cash Balances, January 1 | 259,484 | 75 | 259,559 |
| Fund Cash Balances, December 31 | \$296,046 | \$79 | \$296,125 |
| Reserves for Encumbrances, December 31 | \$7,453 | | \$7,453 |

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

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Other Government Grants-In-Aid | \$407,717 | \$3,400 | \$411,117 |
| Patron Fines and Fees | 9,024 | | 9,024 |
| Earnings on Investments | 10,914 | | 10,914 |
| Contributions, Gifts and Donations | 1,650 | | 1,650 |
| Miscellaneous Receipts | 7,423 | | 7,423 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 436,728 | 3,400 | 440,128 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 228,494 | | 228,494 |
| Supplies | 8,312 | 2,675 | 10,987 |
| Purchased and Contracted Services | 55,382 | | 55,382 |
| Library Materials and Information | 74,280 | | 74,280 |
| Other Objects | 1,852 | | 1,852 |
| Capital Outlay | 6,747 | 4,348 | 11,095 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 375,067 | 7,023 | 382,090 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts Over/(Under) Cash Disbursements | 61,661 | (3,623) | 58,038 |
| Fund Cash Balances, January 1 | 197,823 | 3,698 | 201,521 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | \$259,484 | \$75 | \$259,559 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Reserves for Encumbrances, December 31 | \$16,347 | | |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pemberville Public Library, Wood 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 Board of Education of the Eastwood Local School District for a term of seven years. The Library serves as an information agency to support both the formal and informal learning requirements and recreational needs of its patrons. The Library extends its services to all the residents of the State of Ohio on equal terms.

The Eastwood Local School District is a separate entity from the Library and the financial statements of the school are not included herein.

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

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.

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.

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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 Special Revenue Fund:

Library Services and Technology Act Grant Fund - receives grant monies from the Institute of Museum and Library Services to be disbursed for the networking of the public library catalog for grades K-12.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function 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 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 basis of accounting used by the Library.

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH

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

| | <u>2000</u> | <u>1999</u> |
|-------------------------|-------------------------|-------------------------|
| Demand deposits | \$19,375 | \$17,232 |
| Certificates of deposit | <u>276,750</u> | <u>242,327</u> |
| Total deposits | <u><u>\$296,125</u></u> | <u><u>\$259,559</u></u> |

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|------------------------|
| General | \$430,757 | \$471,975 | \$41,218 |
| Special Revenue | <u>15,200</u> | <u>15,200</u> | |
| Total | <u><u>\$445,957</u></u> | <u><u>\$487,175</u></u> | <u><u>\$41,218</u></u> |

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|-------------------------|
| General | \$591,900 | \$442,866 | \$149,034 |
| Special Revenue | <u>15,200</u> | <u>15,196</u> | <u>4</u> |
| Total | <u><u>\$607,100</u></u> | <u><u>\$458,062</u></u> | <u><u>\$149,038</u></u> |

1999 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|------------------------------|----------------------------|------------------------|
| General | \$404,300 | \$436,728 | \$32,428 |
| Special Revenue | <u>3,884</u> | <u>3,400</u> | <u>(484)</u> |
| Total | <u><u>\$408,184</u></u> | <u><u>\$440,128</u></u> | <u><u>\$31,944</u></u> |

**PEMBERVILLE PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$524,924 | \$391,414 | \$133,510 |
| Special Revenue | 7,582 | 7,023 | 559 |
| Total | \$532,506 | \$398,437 | \$134,069 |

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 on account of any additional revenues realized by 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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. 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;
- Vehicles;
- Errors and omissions.

The Library also provides health insurance coverage 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**

Pemberville Public Library
Wood County
375 East Front Street
P.O. Box 809
Pemberville, Ohio 43450-0809

To the Board of Trustees:

We have audited the accompanying financial statements of Pemberville Public Library (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 23, 2001. 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. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated August 23, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 August 23, 2001.

Pemberville Public Library
Wood County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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

August 23, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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PEMBERVILLE PUBLIC LIBRARY

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 13, 2001**