



**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Plain City School District Public Library
Madison County
305 West Main Street
Plain City, Ohio 43064

To the Board of Trustees:

We have audited the accompanying financial statements of the Plain City School District Public Library, Madison 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 audit.

We conducted our audit 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 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 audit provides 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 2000 and December, 31 1999, 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 9, 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, 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, 9 2001

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**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$454,909	\$0	\$454,909
Patron Fines and Fees	15,245	0	15,245
Earnings on Investments	7,894	14,937	22,831
Contributions, Gifts and Donations	2,051	0	2,051
Miscellaneous Receipts	574	0	574
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	480,673	14,937	495,610
Cash Disbursements:			
Current:			
Salaries and Benefits	207,652	0	207,652
Supplies	16,728	0	16,728
Purchased and Contracted Services	64,989	0	64,989
Materials and Information	80,929	0	80,929
Other Objects	33,797	0	33,797
Capital Outlay	10,471	69,765	80,236
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	414,566	69,765	484,331
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	66,107	(54,828)	11,279
Other Financing Receipts/(Disbursements):			
Transfers-In	0	70,000	70,000
Transfers-Out	(70,000)	0	(70,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(70,000)	70,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(3,893)	15,172	11,279
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	82,074	276,991	359,065
Fund Cash Balances, December 31	<hr/> \$78,181	<hr/> \$292,163	<hr/> \$370,344

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

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

**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>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$421,009	\$0	\$421,009
Patron Fines and Fees	13,436	0	13,436
Earnings on Investments	7,805	9,356	17,161
Contributions, Gifts and Donations	1,826	0	1,826
Miscellaneous Receipts	646	0	646
Total Cash Receipts	<u>444,722</u>	<u>9,356</u>	<u>454,078</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	194,660	0	194,660
Supplies	16,859	0	16,859
Purchased and Contracted Services	60,452	0	60,452
Library materials and Information	82,452	0	82,452
Other Objects	25,275	0	25,275
Capital Outlay	18,573	0	18,573
Total Cash Disbursements	<u>398,271</u>	<u>0</u>	<u>398,271</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>46,451</u>	<u>9,356</u>	<u>55,807</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	20,000	20,000
Transfers-Out	(20,000)	0	(20,000)
Total Other Financing Receipts/(Disbursements)	<u>(20,000)</u>	<u>20,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>26,451</u>	<u>29,356</u>	<u>55,807</u>
Fund Cash Balances, January 1	<u>55,623</u>	<u>247,635</u>	<u>303,258</u>
Fund Cash Balances, December 31	<u><u>\$82,074</u></u>	<u><u>\$276,991</u></u>	<u><u>\$359,065</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>	<u><u>\$24,212</u></u>	<u><u>\$0</u></u>

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

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Plain City School District Public Library, Madison 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 Jonathan Alder Local School District. 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.

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.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 funds:

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Project Funds (Continued)

Capital Improvement Fund- The proceeds are being used for capital improvements, including the cost of acquisition, construction, repair and maintenance.

E. Budgetary Process

Sub. H.B. 262 states a taxing unit that does not levy a tax is not a taxing unit for purposes of Chapter 5705. of the Ohio Rev. Code. Documents prepared in accordance with such sections are not required to be filed with the County Auditor or County Budget Commission. The Library Board adopts annual appropriations. Expenditures are limited by appropriations, and budgetary expenditures include encumbrances.

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	\$14,758	\$3,833
Certificates of deposit	<u>221,259</u>	<u>207,883</u>
Total deposits	<u>236,017</u>	<u>211,716</u>
STAR Ohio	<u>134,327</u>	<u>147,349</u>
Total investments	<u>134,327</u>	<u>147,349</u>
Total deposits and investments	<u><u>\$370,344</u></u>	<u><u>\$359,065</u></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.

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$534,000	\$484,566	\$49,434
Capital Projects	285,212	69,765	215,447
Total	<u>\$819,212</u>	<u>\$554,331</u>	<u>\$264,881</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$477,000	\$418,271	\$58,729
Capital Projects	247,000	24,212	222,788
Total	<u>\$724,000</u>	<u>\$442,483</u>	<u>\$281,517</u>

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% of participants' gross salaries for 1999 and 10.84% for 2000. The Library has paid all contributions required through December 31, 2000.

**PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY
MADISON COUNTY**

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

The Library also provides health insurance to full-time employees through a private carrier.



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

Plain City School District Public Library
Madison County
305 West Main Street
Plain City, Ohio 43064

To the Board of Trustees:

We have audited the accompanying financial statements of the Plain City School District Public Library, Madison 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 March 9, 2001. We conducted our audit 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 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated March 9, 2001.

This report is intended for the information and use of the 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

March 9, 2001



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PLAIN CITY SCHOOL DISTRICT PUBLIC LIBRARY

MADISON 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
MARCH 29, 2001**