



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

---

**STATE OF OHIO**



**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Tiffin-Seneca Public Library  
Seneca County  
77 Jefferson Street  
Tiffin, Ohio 44883-2399

To the Board of Trustees:

We have audited the accompanying financial statements of Tiffin-Seneca Public Library (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 audit.

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. 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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2001 and 2000, 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 May 14, 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 audit.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

**Jim Petro**  
Auditor of State

May 14, 2002

**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

**COMBINED 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, 2001**

	<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	\$1,275,086			\$1,275,086
Patron Fines and Fees	42,527			42,527
Earnings on Investments	102,965			102,965
Contributions, Gifts and Donations	91,317			91,317
Miscellaneous Receipts	2,495			2,495
Total Cash Receipts	<u>1,514,390</u>			<u>1,514,390</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	760,926			760,926
Supplies	30,961			30,961
Purchased and Contracted Services	148,568			148,568
Library Materials and Information	301,511			301,511
Other Objects	18,276			18,276
Capital Outlay	16,056			16,056
Total Cash Disbursements	<u>1,276,298</u>			<u>1,276,298</u>
Total Cash Receipts Over Cash Disbursements	<u>238,092</u>			<u>238,092</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		\$60,960	\$12,253	73,213
Transfers-Out	(75,301)			(75,301)
Total Other Financing Receipts/(Disbursements)	<u>(75,301)</u>	<u>60,960</u>	<u>12,253</u>	<u>(2,088)</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	162,791	60,960	12,253	236,004
Fund Cash Balances, January 1	<u>486,621</u>	<u>1,084,714</u>	<u>238,221</u>	<u>1,809,556</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$649,412</u></b>	<b><u>\$1,145,674</u></b>	<b><u>\$250,474</u></b>	<b><u>\$2,045,560</u></b>
Reserves for Encumbrances, December 31	<u>\$160,000</u>			<u>\$160,000</u>

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

TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Operating Income:</b>	
Transfers-In	\$2,088
Fund Cash Balances, January 1	<u>40,818</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$42,906</u></u></b>
Reserves for Encumbrances, December 31	<u><u>          </u></u>

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



**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

**COMBINED 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	\$1,255,806			\$1,255,806
Patron Fines and Fees	49,536			49,536
Earnings on Investments	85,422			85,422
Contributions, Gifts and Donations	20,153			20,153
Miscellaneous Receipts	694			694
	<hr/>			<hr/>
Total Cash Receipts	1,411,611			1,411,611
	<hr/>			<hr/>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	707,318			707,318
Supplies	26,416			26,416
Purchased and Contracted Services	105,635			105,635
Library Materials and Information	311,822			311,822
Other Objects	17,244			17,244
Capital Outlay	20,787			20,787
	<hr/>			<hr/>
Total Cash Disbursements	1,189,222			1,189,222
	<hr/>			<hr/>
Total Cash Receipts Over Cash Disbursements	222,389			222,389
	<hr/>			<hr/>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	14,000	\$54,605	\$15,191	83,796
Transfers-Out	(71,640)		(14,000)	(85,640)
	<hr/>			<hr/>
Total Other Financing Receipts/(Disbursements)	(57,640)	54,605	1,191	(1,844)
	<hr/>			<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	164,749	54,605	1,191	220,545
	<hr/>			<hr/>
Fund Cash Balances, January 1	321,872	1,030,109	237,030	1,589,011
	<hr/>			<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$486,621</u></b>	<b><u>\$1,084,714</u></b>	<b><u>\$238,221</u></b>	<b><u>\$1,809,556</u></b>
	<hr/>			<hr/>
Reserves for Encumbrances, December 31	<u>\$117,000</u>			<u>\$117,000</u>
	<hr/>			<hr/>

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

TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS AND  
CHANGES IN FUND CASH BALANCES  
NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
<b>Operating Income:</b>	
Transfers-In	\$1,844
Fund Cash Balances, January 1	<u>38,974</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$40,818</u></u></b>
Reserves for Encumbrances, December 31	<u><u>          </u></u>

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

**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Tiffin-Seneca Public Library, Seneca 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 the Seneca County Commissioners. 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**

Investments are reported as assets. 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.

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.

**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 to record expenditures for capital improvements to the Library.

**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

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

**3. Fiduciary Funds (Trust Funds)**

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 nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

*Hixson Memorial Fund* - This fund is used to account for all financial activity for the bequest received from Robert W. Hixson and is used as the Board of Trustees deem necessary.

*Junior Home Fund* – This donation received from the Junior Home Alumni Association is to be used for the purchase of books.

**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, function, and object 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 reappropriated.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not 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.

**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

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

**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:

	<b>2001</b>	<b>2000</b>
Demand deposits	\$209,175	\$65,993
Certificates of deposit	1,879,291	1,784,381
Total deposits	<b>\$2,088,466</b>	<b>\$1,850,374</b>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,726,701	\$1,511,599	\$215,102
Capital Projects	960,000		960,000
Fiduciary	238,000		238,000
Total	<b>\$2,924,701</b>	<b>\$1,511,599</b>	<b>\$1,413,102</b>

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,364,456	\$1,425,611	\$61,155
Capital Projects		54,605	54,605
Fiduciary		17,035	17,035
Total	<b>\$1,364,456</b>	<b>\$1,497,251</b>	<b>\$132,795</b>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,559,991	\$1,377,862	\$182,129
Capital Projects	822,000		822,000
Fiduciary	262,000	14,000	248,000
Total	<b>\$2,643,991</b>	<b>\$1,391,862</b>	<b>\$1,252,129</b>

**TIFFIN-SENECA PUBLIC LIBRARY  
SENECA COUNTY**

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

**4. 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.

**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 Tiffin-Seneca Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Tiffin-Seneca Public Library  
Seneca County  
77 Jefferson Street  
Tiffin, Ohio 44883-2399

To the Board of Trustees:

We have audited the accompanying financial statements of Tiffin-Seneca Public Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 14, 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 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. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 14, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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 May 14, 2002.

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 14, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**TIFFIN-SENECA PUBLIC LIBRARY**

**SENECA 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  
JUNE 18, 2002**