



**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 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 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, 1999 and 1998, 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 June 26, 2000 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 26, 2000

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**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, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Taxes:					
State Income	\$1,119,380	\$0	\$0	\$0	\$1,119,380
General Property	522,358				522,358
Government Grants-In-Aid	55,506	11,970			67,476
Patron, Fines and Fees	48,862				48,862
Earnings on Investments	59,727		29,127	2,037	90,891
Contributions, Gifts and Donations	815			14,863	15,678
Miscellaneous	6,540				6,540
 Total Cash Receipts	 1,813,188	 11,970	 29,127	 16,900	 1,871,185
Cash Disbursements:					
Current:					
Salaries and Benefits	951,042				951,042
Supplies	49,032				49,032
Purchased and Contracted Services	315,810				315,810
Library Materials and Information	303,491				303,491
Other Objects	11,368				11,368
Capital Outlay	74,557	11,970	784,953		871,480
 Total Cash Disbursements	 1,705,300	 11,970	 784,953	 0	 2,502,223
Total Cash Receipts Over/(Under) Cash Disbursements	107,888	0	(755,826)	16,900	(631,038)
Fund Cash Balances, January 1, 1999	597,097	0	977,707	68,655	1,643,459
Fund Cash Balances, December 31, 1999	\$704,985	\$0	\$221,881	\$85,555	\$1,012,421
Reserves for Encumbrances, December 31, 1999	\$64,658	\$0	\$18,549	\$0	\$83,207

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

**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, 1998**

	<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>	
Cash Receipts:				
Taxes:				
State Income	\$1,004,604	\$0	\$0	\$1,004,604
General Property	501,969			501,969
Government Grants-In-Aid	54,115			54,115
Patron, Fines and Fees	51,751			51,751
Earnings on Investments	84,308			84,308
Contributions, Gifts and Donations	705			705
Miscellaneous	9,388			9,388
Total Cash Receipts	<u>1,706,840</u>	<u>0</u>	<u>0</u>	<u>1,706,840</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	832,175			832,175
Supplies	40,727			40,727
Purchased and Contracted Services	275,394			275,394
Library Materials and Information	310,993			310,993
Other Objects	11,777			11,777
Capital Outlay	54,865			54,865
Total Cash Disbursements	<u>1,525,931</u>	<u>0</u>	<u>0</u>	<u>1,525,931</u>
Total Cash Receipts Over Cash Disbursements	<u>180,909</u>	<u>0</u>	<u>0</u>	<u>180,909</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		280,000		280,000
Transfers-Out	(280,000)			(280,000)
Total Other Financing Receipts/(Disbursements)	<u>(280,000)</u>	<u>280,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(99,091)</u>	<u>280,000</u>	<u>0</u>	<u>180,909</u>
Fund Cash Balances, January 1, 1998	<u>696,188</u>	<u>697,707</u>	<u>68,655</u>	<u>1,462,550</u>
Fund Cash Balances, December 31, 1998	<u>\$597,097</u>	<u>\$977,707</u>	<u>\$68,655</u>	<u>\$1,643,459</u>
Reserves for Encumbrances, December 31, 1998	<u>\$117,091</u>	<u>\$0</u>	<u>\$0</u>	<u>\$117,091</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ella M. Everhard Public Library, Medina 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 Wadsworth City School Board of Education and provides the community with various educational and literary services.

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 included in the cash fund balance. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

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.

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. 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 had the following Special Revenue Fund:

Bookmobile Automation Fund - This fund received the Library Services and Technology Act (LSTA) Mini-Grant that was used to purchase equipment necessary for the automation of bookmobile services.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant Capital Projects Fund:

Building and Repair Fund - This fund is used to account for transfers from the General Fund and is used for capital improvements.

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 Nonexpendable Trust Fund. Other trust funds are classified as Expendable. The Library had the following significant Expendable Trust Fund:

Bequest and Endowment Fund - This fund receives interest and donations.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object 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 1999 and 1998 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.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation Leave

In certain circumstances, employees are entitled to cash payments for unused vacation leave, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the cash basis of accounting used by the Library.

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>1999</u>	<u>1998</u>
Demand deposits	\$11,646	\$5,120
Certificates of deposit	<u>237,270</u>	<u>766,362</u>
Total deposits	<u>248,916</u>	<u>771,482</u>
STAR Ohio	<u>763,505</u>	<u>871,977</u>
Total deposits and investments	<u><u>\$1,012,421</u></u>	<u><u>\$1,643,459</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,700,726	\$1,813,188	\$112,462
Special Revenue	0	11,970	11,970
Capital Projects	0	29,127	29,127
Fiduciary	<u>0</u>	<u>16,900</u>	<u>16,900</u>
Total	<u><u>\$1,700,726</u></u>	<u><u>\$1,871,185</u></u>	<u><u>\$170,459</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,145,291	\$1,769,958	\$375,333
Special Revenue	11,970	11,970	0
Capital Projects	875,000	803,502	71,498
Fiduciary	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$3,032,261</u></u>	<u><u>\$2,585,430</u></u>	<u><u>\$446,831</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,551,087	\$1,706,840	\$155,753
Capital Projects	0	280,000	280,000
Fiduciary	0	0	0
Total	<u>\$1,551,087</u>	<u>\$1,986,840</u>	<u>\$435,753</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,923,254	\$1,923,022	\$232
Capital Projects	350,000	0	350,000
Fiduciary	0	0	0
Total	<u>\$2,273,254</u>	<u>\$1,923,022</u>	<u>\$350,232</u>

4. STATE INCOME TAX

Effective January 1, 1986, the primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF) created by the State Legislature to replace the intangible tax. The distribution formula for the LLGSF consists of two parts: the guaranteed share and the share of the excess.

The County Budget Commission allocates these funds to each qualified public library board based on the needs of such library for the construction of new library buildings, improvements, maintenance or other expenses. The Budget Commission cannot reduce its allocation of these funds to any library because of any additional revenues the respective library received.

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. The Library has paid all contributions required through December 31, 1999.

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 employees through a private carrier.



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

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 26, 2000. We conducted our audits 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 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.

This report is intended 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 26, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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ELLA M. EVERHARD PUBLIC LIBRARY

MEDINA 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
JULY 18, 2000**