



**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Caldwell Public Library  
Noble County  
517 Spruce Street  
P.O. Box 230  
Caldwell, Ohio 43724

To the Board of Trustees:

We have audited the accompanying financial statements of the Caldwell Public Library, Noble 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 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 combined fund cash balances and reserves for encumbrances of the Caldwell Public Library, Noble County, 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 June 11, 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be used in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the audit committee, 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

June 11, 2001

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**CALDWELL PUBLIC LIBRARY  
NOBLE 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>			
Other Government Grants-In-Aid	\$488,062	\$	\$488,062
Patron Fines and Fees	10,203		10,203
Earnings on Investments	10,871		10,871
Contributions, Gifts and Donations	149		149
Miscellaneous Receipts	284		284
 Total Cash Receipts	 509,569	 0	 509,569
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	192,531		192,531
Purchased and Contracted Services	59,223		59,223
Other Objects	107,012		107,012
Capital Outlay	12,520		12,520
 Total Cash Disbursements	 371,286	 0	 371,286
 Total Cash Receipts Over/(Under) Cash Disbursements	 138,283	 0	 138,283
<b>Other Financing Sources/(Uses):</b>			
Transfers-In		100,000	100,000
Transfers-Out	(100,000)		(100,000)
 Total Other Financing Sources/(Uses)	 (100,000)	 100,000	 0
 Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	 38,283	 100,000	 138,283
 Fund Cash Balances, January 1	 58,566	 250,000	 308,566
 <b>Fund Cash Balances, December 31</b>	 <b>\$96,849</b>	 <b>\$350,000</b>	 <b>\$446,849</b>
 Reserves for Encumbrances, December 31	 \$14,856	 \$0	 \$14,856

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

**CALDWELL PUBLIC LIBRARY  
NOBLE 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Other Government Grants-In-Aid	\$451,958	\$80,680	\$	\$532,638
Patron Fines and Fees	10,287			10,287
Earnings on Investments	6,731			6,731
Services Provided to Other Entities		73,298		73,298
Contributions, Gifts and Donations	1,000			1,000
Miscellaneous Receipts	995			995
	<u>470,971</u>	<u>153,978</u>	<u>0</u>	<u>624,949</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	172,877	6,241		179,118
Purchased and Contracted Services	55,970	153,030		209,000
Other Objects	104,401	43,884		148,285
Capital Outlay	48,605	5,796		54,401
	<u>381,853</u>	<u>208,951</u>	<u>0</u>	<u>590,804</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>89,118</u>	<u>(54,973)</u>	<u>0</u>	<u>34,145</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers-In			150,000	150,000
Transfers-Out	(150,000)			(150,000)
	<u>(150,000)</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(60,882)	(54,973)	150,000	34,145
Fund Cash Balances, January 1	<u>119,448</u>	<u>54,973</u>	<u>100,000</u>	<u>274,421</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$58,566</b></u>	<u><b>\$0</b></u>	<u><b>\$250,000</b></u>	<u><b>\$308,566</b></u>
Reserves for Encumbrances, December 31	<u>\$11,213</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,213</u>

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



**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Caldwell Public Library, Noble 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 members of the Caldwell Exempted Village School District. The Library provides the community with various educational and literary resources. The Library is involved with the SOLO Regional Library System which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 6.

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**

During the audit period, investments were limited to an interest bearing checking account, a money market business account, and a \$1,000 United States Series H Savings Bond left to the Library as part of an estate.

**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 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 significant Special Revenue Fund:

**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

The Southeast Ohio Library Organization (SOLO) Grant Fund - This fund received a combination of federal and local funds from the fourteen participating Libraries associated with this program. These funds were used to assist the SOLO libraries with the regional lateral sharing of library materials. As of June 30, 1999, the SOLO grant was completed, and there were no Special Revenue funds for the remainder of 1999 nor 2000.

**3. 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, Maintenance, and Repair Fund - This fund is to be used for the maintenance and repairs of the Library building.

**E. Budgetary Process**

The Ohio Administrative Code requires the legislative body to adopt a appropriation measure.

**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 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.

**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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	\$445,819	\$307,536
Certificates of deposit	<u>1,000</u>	<u>1,000</u>
Total deposits	<u>\$446,819</u>	<u>\$308,536</u>

At December 31, 2000 and 1999, the Library maintained a thirty dollar (\$30) change fund.

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Library.

**Investments:** For purposes of this note presentation, the Library's only investment was a United States Savings Bond in the amount of \$1,000, held by the Library in the Library's name.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$525,727	\$509,569	(\$16,158)
Capital Projects	<u>350,000</u>	<u>100,000</u>	<u>(250,000)</u>
Total	<u>\$875,727</u>	<u>\$609,569</u>	<u>(\$266,158)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$525,727	\$486,142	\$39,585
Capital Projects	<u>350,000</u>	<u>0</u>	<u>350,000</u>
Total	<u>\$875,727</u>	<u>\$486,142</u>	<u>\$389,585</u>

**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$553,172	\$470,971	(\$82,201)
Special Revenue	188,605	153,978	(34,627)
Capital Projects	250,000	150,000	(100,000)
Total	\$991,777	\$774,949	(\$216,828)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$553,172	\$543,066	\$10,106
Special Revenue	188,605	208,951	(20,346)
Capital Projects	250,000	0	250,000
Total	\$991,777	\$752,017	\$239,760

**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.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

**CALDWELL PUBLIC LIBRARY  
NOBLE COUNTY**

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

**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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. 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 and dental and vision coverage to full-time employees through a private carrier.

**7. JOINTLY GOVERNED ORGANIZATION**

The SOLO (Southeastern Ohio Library Organization) Regional Library System (SOLO), is a regional library system created and jointly governed according to the provisions of Ohio Rev. Code § 3375.90 through § 3375.93. The Regional Library System is composed of fourteen legally-separate libraries within Southeast Ohio: Barnesville Hutton Memorial Library, Bellaire Public Library, Caldwell Public Library, Guernsey County District Library, Kate Love Simpson Library, Martins Ferry Public Library, Monroe County District Library, Muskingum County Public Library System, Newark Public Library, Perry County District Library, Public Library of Steubenville and Jefferson County, Puskarich Public Library, St. Clairsville Public Library, and Washington County Public Library. The Regional Library System is governed by a fourteen member Board of Trustees selected by the Librarians Council which consists of the library administrators or a representative from each member library. The Regional Library System provides annual training workshops for member library employees, technical training and assistance, a central graphics center, and coordinates the delivery of intra-library book loans. The Caldwell Public Library's control over budgeting and financing of SOLO is limited to its voting authority and its representation on SOLO's Board of Trustees.

**8. RELATED PARTY TRANSACTION**

The Library pays an annual fee to SOLO Regional Library System, a jointly governed organization, of which the Library is a member. The Library paid \$14,000 to the SOLO Regional Library during the period January 1, 1999 through December 31, 2000. Fiscal year 2000 dues of \$6,000 were paid on August 4, 1999 and fiscal year 2001 dues of \$8,000 were paid on June 23, 2000.

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

Caldwell Public Library  
Noble County  
517 Spruce Street  
P.O. Box 230  
Caldwell, Ohio 43724

To the Board of Trustees:

We have audited the accompanying financial statements of the Caldwell Public Library, Noble County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 11, 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 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.

**Jim Petro**  
Auditor of State

June 11, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CALDWELL PUBLIC LIBRARY**

**NOBLE 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 26, 2001**