



**GREENVILLE PUBLIC LIBRARY  
DARKE COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**GREENVILLE PUBLIC LIBRARY  
DARKE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Greenville Public Library  
Darke County  
520 Sycamore Street  
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of Greenville Public Library, Darke County (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 described 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 of Greenville Public Library, Darke 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 a report dated May 30, 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 audit committee, management, Board of Trustees, and other officials authorized to receive this report under Section 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

May 30, 2001

**GREENVILLE PUBLIC LIBRARY  
DARKE 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>				
Government Grants-In-Aid	\$842,330			\$842,330
Patron Fines and Fees	29,369			29,369
Earnings on Investments	20,098			20,098
Contributions, Gifts and Donations	22,509			22,509
Miscellaneous Receipts	7,486			7,486
	<u>921,792</u>			<u>921,792</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	380,350			380,350
Supplies	43,516			43,516
Purchased and Contracted Services	60,614			60,614
Library Materials and Information	186,034			186,034
Other Objects	2,936			2,936
	<u>673,450</u>			<u>673,450</u>
Total Cash Receipts Over/(Under) Cash Disbursements	248,342			248,342
Fund Cash Balances, January 1	<u>42,653</u>	<u>\$323,844</u>	<u>\$7,040</u>	<u>373,537</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$290,995</u></b>	<b><u>\$323,844</u></b>	<b><u>\$7,040</u></b>	<b><u>\$621,879</u></b>

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

**GREENVILLE PUBLIC LIBRARY  
DARKE 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, 1999**

	<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>				
Government Grants-In-Aid	\$724,451			\$724,451
Patron Fines and Fees	29,327			29,327
Earnings on Investments	9,631			9,631
Contributions, Gifts and Donations	12,180			12,180
Miscellaneous Receipts	3,894			3,894
	<hr/>			<hr/>
Total Cash Receipts	779,483			779,483
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	358,817			358,817
Supplies	29,970			29,970
Purchased and Contracted Services	56,335			56,335
Library Materials and Information	200,340			200,340
Capital Outlay	16,994			16,994
Other Objects	2,437			2,437
	<hr/>			<hr/>
Total Cash Disbursements	664,893			664,893
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>			<hr/>
	114,590			114,590
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		\$145,315		145,315
Transfers-Out	(145,315)			(145,315)
	<hr/>			<hr/>
Total Other Financing Receipts/(Disbursements)	(145,315)	145,315		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(30,725)	145,315		114,590
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	73,378	178,529	\$7,040	258,947
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$42,653</b>	<b>\$323,844</b>	<b>\$7,040</b>	<b>\$373,537</b>

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



**GREENVILLE PUBLIC PUBLIC LIBRARY  
DARKE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Greenville Public Library of Darke 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 a school district library. The Board of Trustees is comprised of seven citizens appointed by the Greenville City School District Board of Education. The Library provides general services regarding books, periodicals, videos, and other items to the citizens in the City and surrounding area.

The Library's management believes these financial statements present all activities for which the Library's 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 a payment is made 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**

The Library maintains a checking account and certificates of deposit. 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 by law or contract to be restricted.

**2. Capital Project Fund:**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Library has the following capital project fund:

**Building and Repair Fund** - The Library accumulated funds for future construction and repair of facilities.

**GREENVILLE PUBLIC PUBLIC LIBRARY  
DARKE COUNTY**

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

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

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

Trust funds are used to account for resources restricted by legally binding trust agreements. The Library has the following significant fiduciary funds:

**Finnarn Trust Fund** - Expendable trust fund. This fund receives monies from donations from the Finnarn family which are kept in trust to be used for quality type books dealing with horses or agriculture on prior approval of the Finnarn family.

**McCabe Trust Fund** - Expendable trust fund. This fund received monies from a donation by the McCabe family which are kept in trust to be used for any appropriate Library expense.

**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, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus the cash balance as of January 1.

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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**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.

**GREENVILLE PUBLIC PUBLIC LIBRARY  
DARKE COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

The carrying amount of cash and investments at December 31 was as follows:

	<b>2000</b>	<b>1999</b>
Demand Deposits	\$ 70,569	\$ 68,677
Certificates of Deposit	<u>551,310</u>	<u>304,860</u>
Total Deposits & Investments	<u>\$621,879</u>	<u>\$373,537</u>

**Deposits:**

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) covered by collateral held third party trustees pursuant to Ohio Rev Code Section 135.181, in collateral pools securing all public funds on deposit with specific depository institutions.

**3. BUDGETARY ACTIVITY**

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

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$794,000	\$921,792	\$127,792
Expendable Trust	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Total	<u>\$809,000</u>	<u>\$921,792</u>	<u>\$112,792</u>

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,182,535	\$673,450	\$509,085

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$683,426	\$779,483	\$96,057
Capital Projects	0	145,315	145,315
Expendable Trust	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Total	<u>\$693,426</u>	<u>\$924,798</u>	<u>\$ 231,372</u>

**GREENVILLE PUBLIC PUBLIC LIBRARY  
DARKE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$756,723	\$810,208	(\$53,485)
Capital Projects	178,529	0	178,529
Expendable Trust	<u>17,040</u>	<u>0</u>	<u>17,040</u>
Total	<u>\$952,292</u>	<u>\$810,208</u>	<u>\$142,084</u>

**4. GRANTS-IN-AID**

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 Library's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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 for January 1999 through June 2000 and an amount equal to 8.13% of participant's gross salary for July 2000 through December 2000. 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
- Officials' Liability
- Errors or 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**

Greenville Public Library  
Darke County  
520 Sycamore Street  
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the financial statements of Greenville Public Library, Darke County (the "Library"), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 30, 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*. However, we noted certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 30, 2001.

**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 30, 2001.

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

May 30, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GREENVILLE PUBLIC LIBRARY**

**DARKE 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**