



**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Kingsville Public Library
Ashtabula County
6006 Academy Street
Kingsville, Ohio 44048

To the Board of Trustees:

We have audited the accompanying financial statements of the Kingsville Public Library, Ashtabula 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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2000 and December 31, 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 1, 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, and contracts. 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 § 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 1, 2001

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**KINGSVILLE PUBLIC LIBRARY
ASHTABULA 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>	
Cash Receipts:				
Other Government Grants-In-Aid	\$280,320			\$280,320
Patron Fines and Fees	5,458			5,458
Earnings on Investments	2,396		11	2,407
Services Provided to Other Entities	7,725			7,725
Contributions, Gifts and Donations	1,710			1,710
Miscellaneous Receipts	76			76
	<hr/>			<hr/>
Total Cash Receipts	297,685		11	297,696
	<hr/>			<hr/>
Cash Disbursements:				
Current:				
Salaries and Benefits	196,940			196,940
Supplies	9,202			9,202
Purchased and Contracted Services	58,256			58,256
Library Materials and Information	37,790			37,790
Other Objects	5,329			5,329
Capital Outlay	10,443			10,443
	<hr/>			<hr/>
Total Cash Disbursements	317,960			317,960
	<hr/>			<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(20,275)		11	(20,264)
	<hr/>			<hr/>
Other Financing Receipts/(Disbursements):				
Transfers-In		10,000		10,000
Transfers-Out	(10,000)			(10,000)
	<hr/>			<hr/>
Total Other Financing Receipts/(Disbursements)	(10,000)	10,000		
	<hr/>			<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(30,275)	10,000	11	(20,264)
	<hr/>			<hr/>
Fund Cash Balances, January 1, 2000	79,449		677	80,126
	<hr/>			<hr/>
Fund Cash Balances, December 31, 2000	<u>\$49,174</u>	<u>\$10,000</u>	<u>\$688</u>	<u>\$59,862</u>

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

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

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

	Fiduciary Fund Type
	Agency
Operating Cash Receipts:	
Services Provided to Other Entities	\$203,837
Total Operating Cash Receipts	203,837
Operating Cash Disbursements:	
Current:	
Supplies	580
Purchased and Contracted Services	135,292
Other Objects	4,599
Capital Outlay	47,151
Total Operating Cash Disbursements	187,622
Operating Income/(Loss)	16,215
Non-Operating Cash Receipts:	
Earnings on Investments	4,845
Net Receipts Over/(Under) Disbursements	21,060
Fund Cash Balances, January 1, 2000	129,351
Fund Cash Balances, December 31, 2000	\$150,411

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

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA 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 Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
Other Government Grants-In-Aid	\$259,790		\$259,790
Patron Fines and Fees	5,873		5,873
Earnings on Investments	2,780	11	2,791
Services Provided to Other Entities	7,500		7,500
Contributions, Gifts and Donations	979		979
Miscellaneous Receipts	176		176
Total Cash Receipts	<u>277,098</u>	<u>11</u>	<u>277,109</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	171,577		171,577
Supplies	10,106		10,106
Purchased and Contracted Services	32,813		32,813
Library Materials and Information	42,188		42,188
Other Objects	3,112		3,112
Capital Outlay	4,304		4,304
Total Cash Disbursements	<u>264,100</u>		<u>264,100</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>12,998</u>	<u>11</u>	<u>13,009</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sales of Property	219		219
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>13,217</u>	<u>11</u>	<u>13,228</u>
Fund Cash Balances, January 1, 1999	<u>66,232</u>	<u>666</u>	<u>66,898</u>
Fund Cash Balances, December 31, 1999	<u><u>\$79,449</u></u>	<u><u>\$677</u></u>	<u><u>\$80,126</u></u>
Reserves for Encumbrances, December 31, 1999	<u><u>\$522</u></u>		<u><u>\$522</u></u>

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

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types
	Agency
Operating Cash Receipts:	
Services Provided to Other Entities	\$169,188
Total Operating Cash Receipts	169,188
Operating Cash Disbursements:	
Current:	
Supplies	688
Purchased and Contracted Services	153,007
Other Objects	3,927
Capital Outlay	1,156
Total Operating Cash Disbursements	158,778
Operating Income/(Loss)	10,410
Non-Operating Cash Receipts:	
Earnings on Investments	4,267
Other Non-Operating Receipts	580
Total Non-Operating Cash Receipts	4,847
Net Receipts Over/(Under) Disbursements	15,257
Fund Cash Balances, January 1, 1999	114,094
Fund Cash Balances, December 31, 1999	\$129,351

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

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Kingsville Public Library, Ashtabula 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 Buckeye 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

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.

Certificates of deposit are valued at cost. Stock funds are recorded at the fair market value at the date of donation.

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 established the Permanent Building Fund and Building Improvement Fund on December 14, 2000 by transferring \$5,000 from the General Fund into each established fund.

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

3. Fiduciary Funds (Trust and Agency 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. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library is the fiscal agent for the Council of Ashtabula County Libraries (CACL).

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 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.

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.

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA COUNTY**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$117,793	\$102,076
Certificates of deposit	92,210	107,131
Total deposits	<u>210,003</u>	<u>209,207</u>
CEI Stock (FirstEnergy Corp.)	270	270
Total investments	<u>270</u>	<u>270</u>
Total deposits and investments	<u>\$210,273</u>	<u>\$209,477</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: The Library was donated seven shares of FirstEnergy Corp. common stock with a market value of \$270 (\$38.58/share) at the date of donation. The market value of the stock on December 31, 2000 is \$221 (\$32.56/share).

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$282,422	\$297,685	\$15,263
Capital Projects	0	10,000	10,000
Expendable Trust	12	11	(1)
Agency	242,175	208,682	(33,493)
Total	<u>\$524,609</u>	<u>\$516,378</u>	<u>(\$8,231)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$361,871	\$327,960	\$33,911
Capital Projects	0	0	0
Expendable Trust	0	0	0
Agency	327,464	187,622	139,842
Total	<u>\$689,335</u>	<u>\$515,582</u>	<u>\$173,753</u>

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA 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	\$260,247	\$277,317	\$17,070
Expendable Trust	12	11	(1)
Agency	154,090	174,035	19,945
Total	\$414,349	\$451,363	\$37,014

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$326,478	\$264,622	\$61,856
Expendable Trust	0	0	0
Agency	230,173	158,778	71,395
Total	\$556,651	\$423,400	\$133,251

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

**KINGSVILLE PUBLIC LIBRARY
ASHTABULA 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
- Vehicles
- Errors and 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**

Kingsville Public Library
Ashtabula County
6006 Academy Street
Kingsville, Ohio 44048

To the Board of Trustees:

We have audited the accompanying financial statements of the Kingsville Public Library, Ashtabula 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 June 1, 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.

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

June 1, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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KINGSVILLE PUBLIC LIBRARY

ASHTABULA 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 3, 2001**