



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PAULDING COUNTY CARNEGIE LIBRARY
PAULDING COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Paulding County Carnegie Library
Paulding County
205 South Main Street
Paulding, Ohio 45879-1492

To the Board of Trustees:

We have audited the accompanying financial statements of Paulding County Carnegie Library, Paulding 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 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, 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 May 24, 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 audits.

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.

Jim Petro
Auditor of State

May 24, 2001

This page intentionally left blank.

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Other Government Grants-In-Aid	\$800,121		\$800,121
Patron Fines and Fees	6,735		6,735
Earnings on Investments	30,003		30,003
Contributions, Gifts and Donations	2,420		2,420
Miscellaneous Receipts	14,128		14,128
	<hr/>		<hr/>
Total Cash Receipts	853,407		853,407
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	489,753		489,753
Supplies	27,157		27,157
Purchased and Contracted Services	84,952		84,952
Library Materials and Information	71,669		71,669
Other Objects	16,336		16,336
Capital Outlay	70,610		70,610
	<hr/>		<hr/>
Total Cash Disbursements	760,477		760,477
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	92,930		92,930
Fund Cash Balances, January 1	776,433	\$3,160	779,593
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$869,363	\$3,160	\$872,523
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$78,052		\$78,052
	<hr/>		<hr/>

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

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
Other Government Grants-In-Aid	\$743,473		\$743,473
Patron Fines and Fees	6,353		6,353
Earnings on Investments	29,948		29,948
Contributions, Gifts and Donations	4,230		4,230
Miscellaneous Receipts	12,507		12,507
Total Cash Receipts	796,511		796,511
Cash Disbursements:			
Current:			
Salaries and Benefits	446,811		446,811
Supplies	21,482		21,482
Purchased and Contracted Services	85,865		85,865
Library Materials and Information	61,972		61,972
Other Objects	16,205		16,205
Capital Outlay	46,389	\$71,840	118,229
Total Cash Disbursements	678,724	71,840	750,564
Total Cash Receipts Over/(Under) Cash Disbursements	117,787	(71,840)	45,947
Other Financing Receipts/(Disbursements):			
Transfers-In		75,000	75,000
Transfers-Out	(75,000)		(75,000)
Total Other Financing Receipts/(Disbursements)	(75,000)	75,000	
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	42,787	3,160	45,947
Fund Cash Balances, January 1	733,646		733,646
Fund Cash Balances, December 31	\$776,433	\$3,160	\$779,593
Reserves for Encumbrances, December 31	\$67,454		\$67,454

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

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Paulding County Carnegie Library, Paulding 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 six-member Board of Trustees appointed by the Paulding County Court of Common Pleas. 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. 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.

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING COUNTY**

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

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:

Permanent Improvement Fund - This fund received a transfer from the General Fund for the construction of a parking lot and installation of new shelving.

E. Budgetary Process

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

1. Appropriations

The Board of Trustees 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 leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the cash basis of accounting used by the Library.

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING 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	\$288,675	\$225,748
Certificates of deposit	<u>426,406</u>	<u>405,869</u>
Total deposits	<u>715,081</u>	<u>631,617</u>
 STAR Ohio	 <u>157,172</u>	 <u>147,706</u>
 Cash on Hand	 <u>270</u>	 <u>270</u>
Total deposits, investments, and cash on hand	<u><u>\$872,523</u></u>	<u><u>\$779,593</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or 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 ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$820,470	\$853,407	\$32,937
Capital Projects			
Total	<u><u>\$820,470</u></u>	<u><u>\$853,407</u></u>	<u><u>\$32,937</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,596,632	\$838,529	\$758,103
Capital Projects	3,160		3,160
Total	<u><u>\$1,599,792</u></u>	<u><u>\$838,529</u></u>	<u><u>\$761,263</u></u>

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING COUNTY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$781,088	\$796,511	\$15,423
Capital Projects		75,000	75,000
Total	\$781,088	\$871,511	\$90,423

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,514,733	\$821,178	\$693,555
Capital Projects		71,840	(71,840)
Total	\$1,514,733	\$893,018	\$621,715

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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Library has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Paulding County Commissioners provide property and liability insurance for the Library through the County Risk Sharing Authority, Inc., (CORSA). The Library reimburses the County for its share of the premium. The Library has obtained commercial insurance for errors and omissions.

The Library also provides health insurance coverage to full-time employees through a private carrier.

**PAULDING COUNTY CARNEGIE LIBRARY
PAULDING COUNTY**

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

7. FRIENDS OF THE LIBRARY

The Friends of the Paulding County Carnegie Library, the Antwerp Friends of the Library, the Friends of the Payne Branch Library, Inc., and the Oakwood Library Association, (the Friends) have been established to promote the Library and provide the Library with a certain amount of financial assistance.

The Friends organizations own the buildings in which the Branches are operated. Written agreements state the Friends are responsible for maintenance and upkeep of the buildings, including structure repair, and for providing insurance on the buildings. The Library is responsible for providing insurance on the building contents. Under these agreements, the Villages of Antwerp, Payne, and Oakwood are responsible for all utility costs of the Branches. In the absence of the Friends organizations, these expenses would be the responsibility of the Library.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Paulding County Carnegie Library
Paulding County
205 South Main Street
Paulding, Ohio 45879-1492

To the Board of Trustees:

We have audited the accompanying financial statements of Paulding County Carnegie Library, Paulding County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 24, 2001. 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. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 24, 2001.

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. 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 24, 2001.

Paulding County Carnegie Library
Paulding County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

May 24, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PAULDING COUNTY CARNEGIE LIBRARY

PAULDING 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 12, 2001**