



**Auditor of State
Betty Montgomery**

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Auglaize County Public District Library
Auglaize County
203 South Perry Street
Wapakoneta, OH 45895

To the Board of Trustees:

We have audited the accompanying financial statements of the Auglaize County Public District Library (the Library) as of and for the years ended December 31, 2002 and December 31, 2001. 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 auditing standards generally accepted in the United States of America 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, 2002 and December 31, 2001, 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 July 23, 2003, 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 finance 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 23, 2003

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE 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, 2002**

	<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	\$1,240,700			\$1,240,700
Patron Fines and Fees	15,157			15,157
Earnings on Investments	37,398			37,398
Contributions, Gifts and Donations	32,229			32,229
Miscellaneous Receipts	14,413			14,413
	<hr/>			<hr/>
Total Cash Receipts	1,339,897			1,339,897
	<hr/>			<hr/>
Cash Disbursements:				
Current:				
Salaries and Benefits	661,284			661,284
Purchased and Contracted Services	176,518			176,518
Other Objects	293,594			293,594
Capital Outlay	40,991			40,991
	<hr/>			<hr/>
Total Cash Disbursements	1,172,387			1,172,387
	<hr/>			<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	167,510			167,510
	<hr/>			<hr/>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	8			8
Transfers-In		75,000		75,000
Transfers-Out	(75,000)			(75,000)
	<hr/>			<hr/>
Total Other Financing Receipts/(Disbursements)	(74,992)	75,000		8
	<hr/>			<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	92,518	75,000		167,518
	<hr/>			<hr/>
Fund Cash Balances, January 1	1,076,800	797,921	3,080	1,877,801
	<hr/>			<hr/>
Fund Cash Balances, December 31	<u>\$1,169,318</u>	<u>\$872,921</u>	<u>\$3,080</u>	<u>\$2,045,319</u>
	<hr/>			<hr/>
Reserves for Encumbrances, December 31	<u>\$16,066</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,066</u>

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

AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>\$17,937</u>
Fund Cash Balances, December 31	<u><u>\$17,937</u></u>

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

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE 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, 2001**

	<u>Governmental Fund Types</u>		<u>Fiduciary</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Expendable</u> <u>Trust</u>	
Cash Receipts:				
Other Government Grants-In-Aid	\$1,345,570			\$1,345,570
Patron Fines and Fees	14,009			14,009
Earnings on Investments	69,925			69,925
Contributions, Gifts and Donations	7,466			7,466
Miscellaneous Receipts	13,590			13,590
Total Cash Receipts	<u>1,450,560</u>			<u>1,450,560</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	635,881			635,881
Purchased and Contracted Services	144,798			144,798
Other Objects	325,547			325,547
Capital Outlay	25,626			25,626
Total Cash Disbursements	<u>1,131,852</u>			<u>1,131,852</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>318,708</u>			<u>318,708</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	30			30
Transfers-In		525,000		525,000
Transfers-Out	(525,000)			(525,000)
Total Other Financing Receipts/(Disbursements)	<u>(524,970)</u>	<u>525,000</u>		<u>30</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(206,262)	525,000		318,738
Fund Cash Balances, January 1	1,283,062	272,921	3,080	1,559,063
Fund Cash Balances, December 31	<u>\$1,076,800</u>	<u>\$797,921</u>	<u>\$3,080</u>	<u>\$1,877,801</u>
Reserves for Encumbrances, December 31	<u>\$1,694</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,694</u>

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

AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Fiduciary Fund Type</u>
	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>\$17,937</u>
Fund Cash Balances, December 31	<u><u>\$17,937</u></u>

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

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Auglaize County Public District Library, Auglaize 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 Ohio. The Library is directed by a seven-member Board of Trustees three appointed by the judge of the court of common pleas and four are appointed by the Board of County Commissioners. 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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit and repurchase agreements 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 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 trust funds). The Library had the following significant capital project funds:

Building Fund – This fund accumulates resources with transfers from the General Fund to be used for expenditures relating to the buildings.

Vehicle Replacement Fund – This fund was established with transfers from the General Fund to be used on expenditures related to the bookmobile.

Computer Fund – This fund was established with transfers from the General Fund to be used on expenditures related to computers hardware and peripherals.

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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. 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 fiduciary funds:

Expendable Trusts:

Earl Thompson Memorial Fund - this fund was set up to account for receipts and expenditures related to improvements for the Cridersville Library.

Louise Miller Enhancement Fund - this fund was set up to account for receipts and expenditures related to the enhancement of the main library.

Non-Expendable Trusts:

Brown, Morey and Fisher Funds - these non-expendable trust funds receive interest from investments which is recorded and expended for the trust purpose from the general fund.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2002 and 2001 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. Accumulated Leave

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

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:

	2002	2001
Demand deposits	\$1,506,964	\$1,437,093
Certificates of deposit	17,937	17,937
Repurchase Agreements	538,355	440,708
Total deposits	\$2,063,256	\$1,895,738

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

The Library's financial institution transfers the securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,562,628	\$1,339,905	(\$222,723)
Capital Projects	75,000	75,000	-
Fiduciary	6,300	-	(6,300)
Total	<u>\$1,643,928</u>	<u>\$1,414,905</u>	<u>(\$229,023)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$1,568,750</u>	<u>\$1,263,453</u>	<u>\$305,297</u>

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,502,120	\$1,450,590	(\$51,530)
Capital Projects	525,000	525,000	-
Fiduciary	3,000	-	(3,000)
Total	<u>\$2,030,120</u>	<u>\$1,975,590</u>	<u>(\$54,530)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,103,350	\$1,658,546	\$444,804
Capital Projects	100,000	-	100,000
Fiduciary	500	-	500
Total	<u>\$2,203,850</u>	<u>\$1,658,546</u>	<u>\$545,304</u>

**AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

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 based on any additional revenues the Library receives.

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 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, 2002.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



**Auditor of State
Betty Montgomery**

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

Auglaize County Public District Library
Auglaize County
203 South Perry Street
Wapakoneta, OH 45895

To the Board of Trustees:

We have audited the accompanying financial statements of the Auglaize County Public District Library, (the Library) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated July 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated July 23, 2003.

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 July 23, 2003.

This report is intended solely for the information and use of the finance committee, management and 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 23, 2003



**Auditor of State
Betty Montgomery**

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800-282-0370

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AUGLAIZE COUNTY PUBLIC DISTRICT LIBRARY

AUGLAIZE 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
SEPTEMBER 9, 2003**