



**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
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	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Type – For the Year Ended December 31, 1999	4
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, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Fiduciary Fund Type – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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REPORT OF INDEPENDENT ACCOUNTANTS

St. Paris Public Library
Champaign County
P.O. Box 740
St. Paris, OH 43072

To the Board of Trustees:

We have audited the accompanying financial statements of the St. Paris Public Library, Champaign County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 St. Paris Public Library, Champaign County, as of December 31, 1999 and 1998, 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 18, 2000 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 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping loop at the end.

Jim Petro
Auditor of State

July 18, 2000

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN 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>	
Cash Receipts:				
Property and Other Local Taxes		\$125,964		\$125,964
Other Government Grants-In-Aid	\$304,997	11,257		316,254
Patron Fines and Fees	9,397			9,397
Earnings on Investments	12,220			12,220
Contributions, Gifts and Donations	15,342	721	\$45,000	61,063
Miscellaneous Receipts	8			8
Total Cash Receipts	<u>341,964</u>	<u>137,942</u>	<u>45,000</u>	<u>524,906</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	138,670			138,670
Supplies	9,706	7,706		17,412
Purchased and Contracted Services	36,026			36,026
Library Materials and Information	68,294			68,294
Other Objects	1,720			1,720
Debt Service:				
Redemption of Principal		66,769		66,769
Capital Outlay	10,410	87,390		97,800
Total Cash Disbursements	<u>264,826</u>	<u>161,865</u>		<u>426,691</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>77,138</u>	<u>(23,923)</u>	<u>45,000</u>	<u>98,215</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	20			20
Advances-In	72,769	72,769		145,538
Advances-Out	(72,769)	(72,769)		(145,538)
Total Other Financing Receipts/(Disbursements)	<u>20</u>			<u>20</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>77,158</u>	<u>(23,923)</u>	<u>45,000</u>	<u>98,235</u>
Fund Cash Balances, January 1	<u>146,557</u>	<u>95,748</u>	<u>5,759</u>	<u>248,064</u>
Fund Cash Balances, December 31	<u>\$223,715</u>	<u>\$71,825</u>	<u>\$50,759</u>	<u>\$346,299</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>10,761</u>
Fund Cash Balances, December 31	<u><u>\$10,761</u></u>

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

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN 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, 1998**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes		\$0	\$117,260	\$0	\$117,260
Other Government Grants-In-Aid	\$273,761		11,099		284,860
Patron Fines and Fees	5,556				5,556
Earnings on Investments	30,372				30,372
Contributions, Gifts and Donations	3,099		37,826		40,925
Miscellaneous Receipts	404				404
Total Cash Receipts	313,192		166,185		479,377
Cash Disbursements:					
Current:					
Salaries and Benefits	104,427				104,427
Supplies	14,496				14,496
Purchased and Contracted Services	67,247		34,987		102,234
Library Materials and Information	51,869				51,869
Other Objects	3,478				3,478
Debt Service:					
Redemption of Principal	0	125,000	58,750		183,750
Interest Payments and Other Financing Fees and Costs	0	2,733	10,180		12,913
Capital Outlay	23,843		703,182		727,025
Total Cash Disbursements	265,360	127,733	807,099		1,200,192
Total Cash Receipts Over/(Under) Cash Disbursements	47,832	(127,733)	(640,914)		(720,815)
Other Financing Receipts/(Disbursements):					
Proceeds of Notes			125,000		125,000
Proceeds from Sales of Property	700				700
Transfers-In		127,733	38,000		165,733
Transfers-Out	(165,733)				(165,733)
Total Other Financing Receipts/(Disbursements)	(165,033)	127,733	163,000		125,700
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(117,201)	0	(477,914)	0	(595,115)
Fund Cash Balances, January 1	263,758	0	573,662	5,759	843,179
Fund Cash Balances, December 31	\$146,557	\$0	\$95,748	\$5,759	\$248,064
Reserves for Encumbrances, December 31	\$4,745	\$0	\$40,769	\$0	\$45,514

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

ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>10,761</u>
Fund Cash Balances, December 31	<u><u>\$10,761</u></u>

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

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The St. Paris Public Library, Champaign 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 local board of education. 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 deposits are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. Stock is valued at fair market value at the time 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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of note indebtedness.

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continue)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant capital project funds. The Library's Capital Projects fund consist of the Building and Repair fund and the Construction fund. These funds receive donations and investment proceeds for future construction projects.

4. 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. The Library had the following significant fiduciary funds:

- R. Barger Expendable fund is composed of donated monies and used for operating purposes.
- Fannie Black Nonexpendable trust fund.

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, and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments.

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 1999 and 1998 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.

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(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>1999</u>	<u>1998</u>
Demand deposits	\$110,140	\$138,945
Certificates of deposit	14,220	14,220
Total deposits	124,360	153,165
DP& L Stock	2,300	2,300
STAR Ohio	230,400	103,360
Total investments	232,700	105,660
Total deposits and investments	\$357,060	\$258,825

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library,

Investments: The Library maintains investments in the State Investment Pool (Star Ohio) as well as a donated stock. 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, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$303,249	\$414,753	\$111,504
Debt Service	179,096	0	(\$179,096)
Capital Projects	227,769	210,711	(17,058)
Fiduciary	0	45,000	45,000
Total	\$710,114	\$670,464	(\$39,650)

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$436,119	\$337,595	\$98,524
Debt Service	0	0	0
Capital Projects	268,039	234,634	33,405
Fiduciary	0	0	0
Total	<u>\$704,158</u>	<u>\$572,229</u>	<u>\$131,929</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$249,385	\$313,892	\$64,507
Debt Service	127,733	127,733	0
Capital Projects	628,500	329,185	(299,315)
Fiduciary	0	0	0
Total	<u>\$1,005,618</u>	<u>\$770,810</u>	<u>(\$234,808)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,250	\$435,838	\$37,412
Debt Service	127,733	127,733	0
Capital Projects	1,173,980	847,868	326,112
Fiduciary	16,520	0	16,520
Total	<u>\$1,791,483</u>	<u>\$1,411,439</u>	<u>\$380,044</u>

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.

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. GRANTS-IN-AID AND TAX RECEIPTS (Continued)

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.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Tax Anticipation Note	\$117,500	4.55%

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Tax Anticipation Note
2000	\$64,096
2001	61,423
Total	\$125,519

6. 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. The Library has paid all contributions required through December 31, 1999.

**ST. PARIS PUBLIC LIBRARY
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public Officials Liability



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

St. Paris Public Library
Champaign County
P.O. Box 740
St. Paris, OH 43072

To the Board of Trustees:

We have audited the accompanying financial statements of the St. Paris Public Library, Champaign County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 18, 2000. 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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated July 18, 2000.

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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

July 18, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ST PARIS PUBLIC LIBRARY

CHAMPAIGN 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 14, 2000