



**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 -1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Alexandria Public Library
Licking County
10 Maple Drive
Alexandria, Ohio 43001

To the Board of Trustees:

We have audited the accompanying financial statements of the Alexandria Public Library, Licking 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 fund cash balances and reserves for encumbrances of the Alexandria Public Library, Licking County, Ohio as of December 31, 2000 and December 31, 1999, and its 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 March 21, 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 that audit.

This report is intended solely for the information and use of the 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

March 21, 2001

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**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

**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:			
Taxes	\$332,969	\$0	\$332,969
Patron Fines and Fees	6,751	0	6,751
Earnings on Investments	24,505	0	24,505
Contributions, Gifts and Donations	426	0	426
Miscellaneous Receipts	33	0	33
Total Cash Receipts	<u>364,684</u>	<u>0</u>	<u>364,684</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	150,249	0	150,249
Supplies	8,181	0	8,181
Purchased and Contracted Services	43,471	0	43,471
Library Materials	64,660	0	64,660
Other Objects	1,113	0	1,113
Total Cash Disbursements	<u>267,674</u>	<u>0</u>	<u>267,674</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>97,010</u>	<u>0</u>	<u>97,010</u>
Other Financing Receipts/(Disbursements):			
Sale of Surplus Property	523		523
Transfers-In	0	30,000	30,000
Transfers-Out	(30,000)	0	(30,000)
Total Other Financing Receipts/(Disbursements)	<u>(29,477)</u>	<u>30,000</u>	<u>523</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>67,533</u>	<u>30,000</u>	<u>97,533</u>
Fund Cash Balances, January 1	<u>405,401</u>	<u>120,597</u>	<u>525,998</u>
Fund Cash Balances, December 31, 2000	<u><u>\$472,934</u></u>	<u><u>\$150,597</u></u>	<u><u>\$623,531</u></u>
Reserves for Encumbrances, December 31, 2000	<u><u>\$18,238</u></u>	<u><u>\$0</u></u>	<u><u>\$18,238</u></u>

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

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Taxes	\$308,752	\$0	\$308,752
Patron Fines and Fees	7,283	0	7,283
Earnings on Investments	16,685	0	16,685
Contributions, Gifts and Donations	4,085	0	4,085
Miscellaneous Receipts	319	0	319
Total Cash Receipts	<u>337,124</u>	<u>0</u>	<u>337,124</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	130,732	0	130,732
Supplies	6,278	0	6,278
Purchased and Contracted Services	30,075	0	30,075
Library Materials	58,040	0	58,040
Other Objects	1,035	0	1,035
Capital Outlay	16,282	0	16,282
Total Cash Disbursements	<u>242,442</u>	<u>0</u>	<u>242,442</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>94,682</u>	<u>0</u>	<u>94,682</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	20,000	20,000
Transfers-Out	(20,000)	0	(20,000)
Total Other Financing Receipts/(Disbursements)	<u>(20,000)</u>	<u>20,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>74,682</u>	<u>20,000</u>	<u>94,682</u>
Fund Cash Balances, January 1	<u>330,719</u>	<u>100,597</u>	<u>431,316</u>
Fund Cash Balances, December 31, 1999	<u>\$405,401</u>	<u>\$120,597</u>	<u>\$525,998</u>
Reserves for Encumbrances, December 31, 1999	<u>\$14,501</u>	<u>\$0</u>	<u>\$14,501</u>

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

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Alexandria Public Library, Licking County, Ohio, (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 School Board based on recommendation from the Library Board. 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

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. 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.

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 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 enterprise or trust funds). The Library had the following significant capital project fund:

Capital Improvement Fund is established for the Library's capital projects.

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

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

E. Budgetary Process

2. 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. Unencumbered appropriations lapse at year end.

3. Estimated Resources

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

4. 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 re-appropriated.

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.

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:

	2000	1999
Demand deposits	\$172,542	\$242,717
Certificates of deposit	240,000	85,000
Total deposits	412,542	327,717
STAR Ohio	210,989	198,281
Total investments	210,989	198,281
Total deposits and investments	\$623,531	\$525,998

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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: 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 December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$341,207	\$365,203	\$23,996
Capital Projects	0	30,000	30,000
Total	<u>\$341,207</u>	<u>\$395,203</u>	<u>\$53,996</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$324,855	\$315,912	\$8,943
Capital Projects	20,000	0	20,000
Total	<u>\$344,855</u>	<u>\$315,912</u>	<u>\$28,943</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$318,767	\$337,124	\$18,357
Capital Projects	0	20,000	20,000
Total	<u>\$318,767</u>	<u>\$357,124</u>	<u>\$38,357</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$320,479	\$276,943	\$43,536
Capital Projects	20,000	0	20,000
Total	<u>\$340,479</u>	<u>\$276,943</u>	<u>\$63,536</u>

**ALEXANDRIA PUBLIC LIBRARY
LICKING COUNTY**

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

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.

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. 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% during 1999 and 10.84% during 2000 of participants' gross salaries. 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
- Public official's liability



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

Alexandria Public Library
Licking County
10 Maple Drive
Alexandria, Ohio 43001

To the Board of Trustees:

We have audited the accompanying financial statements of the Alexandria Public Library, Licking 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 March 21, 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. 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 March 21, 2001.

Alexandria Public Library
Licking County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of 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

March 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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ALEXANDRIA PUBLIC LIBRARY

LICKING 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
APRIL 10, 2001**