



**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund – For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Similar Fiduciary Fund – 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
Schedule of Findings	13

This page intentionally left blank.



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

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Champaign County Library
Champaign County
1060 Scioto Street
Urbana, Ohio 43078

To the Board of Trustees:

We have audited the accompanying financial statements of the Champaign County Library, Champaign County, (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 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 Champaign County Library, Champaign County, as of December 31, 2000 and 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 April 10, 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 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

April 10, 2001

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
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:				
State Income Taxes	\$772,134			\$772,134
General Property Taxes	116,383			116,383
Patron Fines and Fees	42,908			42,908
Earnings on Investments	16,621	15,902	13,620	46,143
Contributions, Gifts and Donations	8,656	4		8,660
Miscellaneous Receipts	3,959			3,959
Total Cash Receipts	<u>960,661</u>	<u>15,906</u>	<u>13,620</u>	<u>990,187</u>
Cash Disbursements:				
Salaries and Benefits	408,665			408,665
Purchased and Contracted Services	137,954			137,954
Supplies	28,489			28,489
Library Materials & Info.	144,374			144,374
Memberships & Dues	2,768			2,768
Capital Outlay	34,628	9,842		44,470
Total Cash Disbursements	<u>756,878</u>	<u>9,842</u>		<u>766,720</u>
Total Cash Receipts Over Cash Disbursements	<u>203,783</u>	<u>6,064</u>	<u>13,620</u>	<u>223,467</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		150,000		150,000
Transfers-Out	(150,000)			(150,000)
Total Other Financing Receipts/(Disbursements)	<u>(150,000)</u>	<u>150,000</u>		<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<u>53,783</u>	<u>156,064</u>	<u>13,620</u>	<u>223,467</u>
Fund Cash Balances, January 1	<u>224,698</u>	<u>302,218</u>	<u>267,246</u>	<u>794,162</u>
Fund Cash Balances, December 31	<u>\$278,481</u>	<u>\$458,282</u>	<u>\$280,866</u>	<u>\$1,017,629</u>
Reserves for Encumbrances, December 31	<u>\$17,590</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,590</u>

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

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
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:				
State Income Taxes	\$716,080			\$716,080
General Property Taxes	112,288			112,288
Patron Fines and Fees	42,572			42,572
Earnings on Investments	10,440	6,924	10,314	27,678
Contributions, Gifts and Donations	8,425	1,689		10,114
Miscellaneous Receipts	26,316			26,316
Total Cash Receipts	916,121	8,613	10,314	935,048
Cash Disbursements:				
Salaries and Benefits	373,380			373,380
Purchased and Contracted Services	154,149			154,149
Supplies	25,981			25,981
Library Materials & Info.	150,949			150,949
Dues and Membership	2,750			2,750
Capital Outlay	24,787	30,221		55,008
Total Cash Disbursements	731,996	30,221		762,217
Total Cash Receipts Over/(Under) Cash Disbursements	184,125	(21,608)	10,314	172,831
Other Financing Receipts/(Disbursements):				
Transfers-In		150,000		150,000
Transfers-Out	(150,000)			(150,000)
Total Other Financing Receipts/(Disbursements)	(150,000)	150,000		0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	34,125	128,392	10,314	172,831
Fund Cash Balances, January 1	190,573	173,826	256,932	621,331
Fund Cash Balances, December 31	\$224,698	\$302,218	\$267,246	\$794,162
Reserves for Encumbrances, December 31	\$15,653	\$0	\$0	\$15,653

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

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Champaign County 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 Champaign County Board of County Commissioners and Champaign 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.

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 had the following significant capital project fund:

Building and Repairs Fund - Received interest from certificates of deposit and donations from citizens and businesses.

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fiduciary Fund (Trust Fund)

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 fund:

Expendable Trust - Received interest from certificates of deposit.

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 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.

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN 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	\$579,134	\$376,916
Certificates of deposit	<u>438,495</u>	<u>417,246</u>
Total deposits	<u>1,017,629</u>	<u>794,162</u>

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, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$897,432	\$960,661	\$63,229
Capital Projects	8,000	165,906	157,906
Fiduciary	<u>0</u>	<u>13,620</u>	<u>13,620</u>
Total	<u>\$905,432</u>	<u>\$1,140,187</u>	<u>\$234,755</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,121,992	\$924,468	\$197,524
Capital Projects	310,218	9,842	300,376
Fiduciary	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,432,210</u>	<u>\$934,310</u>	<u>\$497,900</u>

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN 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	\$829,033	\$916,121	\$87,088
Capital Projects	15,000	158,613	143,613
Fiduciary	0	10,314	10,314
Total	\$844,033	\$1,085,048	\$241,015

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,019,465	\$897,649	\$121,816
Capital Projects	188,826	30,221	158,605
Fiduciary	0	0	0
Total	\$1,208,291	\$927,870	\$280,421

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.

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

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

5. RETIREMENT SYSTEMS

Library officials and full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July through December 2000. 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
- Commercial Crime
- Commercial Inland Marine
- Commercial Auto

The Library is uninsured for the following risk:

- Errors and Omissions

The Library also provides health insurance to full-time employees through a private carrier and a flexible spending allowance.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Champaign County Library
Champaign County
1060 Scioto Street
Urbana, Ohio 43078

To the Board of Trustees:

We have audited the accompanying financial statements of the Champaign County Library, Champaign County, (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 10, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2000-00311-001.

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 April 10, 2001.

Champaign County Library
Champaign 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 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

April 10, 2001

**CHAMPAIGN COUNTY LIBRARY
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-00311-001

Finding for Recovery - Repaid While Under Audit

The 1999 Board approved contract for the salary of Carol Loverde, Librarian, was \$22,870.78. The amount paid by the Clerk/Treasurer to Carol Loverde during 1999 was \$23,235.76, an overpayment of \$364.98. During 2000, the Board approved salary for Carol Loverde was \$25,527.00. The amount paid by the Clerk/Treasurer to Carol Loverde during 2000 was \$25,932.12, an overpayment of \$405.12. The overpayments of \$364.98 during 1999 and \$405.12 during 2000 total \$770.10.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for overpayment of salary is hereby being issued against Betty Murray, Clerk/Treasurer, the Ohio Farmers Insurance Co, and Carol Loverde, Librarian, and the in the amount of seven hundred and seventy dollars and ten cents (\$770.10), and in favor of the Library General Fund.

The total amount of the finding was repaid on 05/08/2001, as evidenced by check number 1068.



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

CHAMPAIGN COUNTY 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
JUNE 12, 2001**