



**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



MASSILLON PUBLIC LIBRARY  
STARK COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Massillon Public Library  
Stark County  
208 Lincoln Way  
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the accompanying financial statements of the Massillon Public Library, Stark County, Ohio, (the Library) as of and for the year ended December 31, 2000. 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 Library as of December 31, 2000, and its combined cash receipts and disbursements for the year 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 6, 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 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

March 6, 2001

MASSILLON PUBLIC LIBRARY  
STARK 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, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
State Income Taxes	\$1,761,199				\$1,761,199
Other Government Grants-In-Aid		\$15,250			15,250
Patron Fines and Fees	48,536				48,536
Earnings on Investments	39,253	317	\$58,358	\$20,310	118,238
Contributions, Gifts and Donations	4,340	5,383			9,723
Miscellaneous	2,505				2,505
<b>Total Cash Receipts</b>	<u>1,855,833</u>	<u>20,950</u>	<u>58,358</u>	<u>20,310</u>	<u>1,955,451</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	900,383				900,383
Purchased and Contracted Services	187,880	378	63,979		252,237
Other Objects	284,481	13,444	484		298,409
Capital Outlay	25,081		176,479		201,560
<b>Total Cash Disbursements</b>	<u>1,397,825</u>	<u>13,822</u>	<u>240,942</u>	<u>0</u>	<u>1,652,589</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>458,008</u>	<u>7,128</u>	<u>(182,584)</u>	<u>20,310</u>	<u>302,862</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			311,254		311,254
Transfers-Out	(311,254)				(311,254)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(311,254)</u>	<u>0</u>	<u>311,254</u>	<u>0</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>146,754</u>	<u>7,128</u>	<u>128,670</u>	<u>20,310</u>	<u>302,862</u>
<b>Fund Cash Balances, January 1</b>	<u>401,738</u>	<u>4,201</u>	<u>1,055,018</u>	<u>312,515</u>	<u>1,773,472</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$548,492</b></u>	<u><b>\$11,329</b></u>	<u><b>\$1,183,688</b></u>	<u><b>\$332,825</b></u>	<u><b>\$2,076,334</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$80,591</b></u>	<u><b>\$252</b></u>	<u><b>\$8,800</b></u>	<u><b>\$0</b></u>	<u><b>\$89,643</b></u>

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

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**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Massillon Public Library, Stark 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 Massillon City School District's Board of Education. The Library provides the community with various educational and literary resources.

The Library is associated with an organization which is presented in Note 7.

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 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. The Overnight Repurchase Agreement is recorded at the bank balance reported on December 31, 2000. Investments in Money Markets are valued at share price, which is the price the investment could be sold for on December 31, 2000.

**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.

**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Funds:

Ohio Reads Fund - This fund is used to record a state literacy grant to be administered by the Library.

Library Service Fund - This fund is used to receipt for a local grant to be administered by the Library.

**3. Capital Projects 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 Projects Funds:

Building and Repair Fund - This fund is used to account for all major construction or renovation.

Large Capital Projects Fund - This fund is used to account for construction or renovations where a donee has requested the funds be used for capital expenditures, but there is no specific trust agreement.

**4. 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's only fiduciary fund is the Expendable Trust Fund which is used to account for a bequest received from the Ethel Conrad Estate. These monies are restricted to be used for capital projects and repairs.

**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 level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**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 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:

	<u><b>2000</b></u>
Deposits:	
Demand	(\$26,807)
Petty Cash/Change	1,050
Money Market	109,001
Certificates of deposit	<u>469,609</u>
Total deposits	<u>552,853</u>
Investments:	
Overnight Repurchase Agreements	86,116
STAR Ohio	<u>1,437,365</u>
Total investments	<u>1,523,481</u>
Total deposits and investments	<u><u>\$2,076,334</u></u>

**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are 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.

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	\$86,116	\$86,116	\$86,116

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,855,833	\$1,855,833	\$0
Special Revenue	20,950	20,950	0
Capital Projects	369,612	369,612	0
Fiduciary	20,311	20,311	0
Total	\$2,266,706	\$2,266,706	\$0

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,741,050	\$1,789,670	(\$48,620)
Special Revenue	16,287	14,074	2,213
Capital Projects	209,400	249,743	(40,343)
Fiduciary	0	0	0
Total	\$1,966,737	\$2,053,487	(\$86,750)

**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 a formula agreed upon by the seven public libraries in Stark County. The Budget Commission cannot reduce its allocation of this formula to the Library on account of any additional revenues realized by the Library.

**MASSILLON PUBLIC LIBRARY  
STARK COUNTY**

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

**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 10.84% and 13.55% for 2000 and 1999, respectively, 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
- Errors and omissions

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

**7. RELATED ORGANIZATION**

The Massillon Public Library Board and Clerk-Treasurer hold the same positions for McClymond's Public Library Association, a not-for-profit entity incorporated under Chapter 1702 of Ohio Revised Code. The Library is not financially accountable for McClymond's Public Library Association and does not impose its will on the organization and a financial benefit/burden does not exist.

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

Massillon Public Library  
Stark County  
208 Lincoln Way  
Massillon, Ohio 44646

To the Board of Trustees:

We have audited the accompanying financial statements of the Massillon Public Library, Stark County, Ohio, (the Library) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 6, 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*.

However, we also noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated March 6, 2001.

**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 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 March 6, 2001.

Massillon Public Library  
Stark 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

March 6, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**MASSILLON PUBLIC LIBRARY**

**STARK 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 26, 2001**