



**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Union Township Public Library
Brown County
27 Main Street
Ripley, Ohio 45167

To the Board of Trustees:

We have audited the accompanying financial statements of the Union Township Public Library, Brown County, Ohio (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 combined fund cash balances and reserve for encumbrances of the Library as of December 31, 2000 and 1999, and its general fund 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 June 15, 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 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

June 15, 2001

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Other Governmental Grants-In-Aid	\$646,521	\$0	\$646,521
Patron Fines and Fees	12,811		12,811
Earnings on Investments	3,474		3,474
Contributions, Gifts and Donations	430		430
Miscellaneous Receipts	7,356		7,356
 Total Cash Receipts	 670,592	 0	 670,592
Cash Disbursements:			
Current:			
Salaries and Benefits	273,192		273,192
Supplies	10,938		10,938
Purchased and Contracted Services	128,003	13,343	141,346
Library Materials and Information	70,100		70,100
Other Objects	6,070		6,070
Capital Outlay	31,836	17,185	49,021
 Total Cash Disbursements	 520,139	 30,528	 550,667
 Total Cash Receipts Over/(Under) Cash Disbursements	 150,453	 (30,528)	 119,925
Other Financing Receipts/(Disbursements):			
Transfers-In		158,270	158,270
Transfers-Out	(158,270)		(158,270)
 Total Other Financing Receipts/(Disbursements)	 (158,270)	 158,270	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (7,817)	 127,742	 119,925
 Fund Cash Balances, January 1	 39,243	 115,000	 154,243
 Fund Cash Balances, December 31	 \$31,426	 \$242,742	 \$274,168
 Reserves for Encumbrances, December 31	 \$18,405	 \$13,950	 \$32,355

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

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Other Governmental Grants-In-Aid	\$600,523	\$0	\$600,523
Patron Fines and Fees	12,300		12,300
Earnings on Investments	4,259		4,259
Contributions, Gifts and Donations	155		155
Miscellaneous Receipts	6,945		6,945
	<u>624,182</u>	<u>0</u>	<u>624,182</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	245,017		245,017
Supplies	11,937		11,937
Purchased and Contracted Services	105,740		105,740
Library Materials and Information	90,911		90,911
Other Objects	13,459		13,459
Capital Outlay	83,622	224,446	308,068
	<u>550,686</u>	<u>224,446</u>	<u>775,132</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>73,496</u>	<u>(224,446)</u>	<u>(150,950)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		115,000	115,000
Transfers-Out	(115,000)		(115,000)
	<u>(115,000)</u>	<u>115,000</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(41,504)	(109,446)	(150,950)
Fund Cash Balances, January 1	<u>80,747</u>	<u>224,446</u>	<u>305,193</u>
Fund Cash Balances, December 31	<u>\$39,243</u>	<u>\$115,000</u>	<u>\$154,243</u>
Reserves for Encumbrances, December 31	<u>\$33,975</u>	<u>\$10,000</u>	<u>\$43,975</u>

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

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Union Township Public Library, Brown 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 three-member Board of Trustees, who are appointed by the Union Township Trustees. The Library provides the community with 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 Deposits

The Library funds are deposited in an interest-bearing checking account with a local bank. The Library pools its cash to capture the highest rate of return. Interest earnings are distributed to Library funds based upon the Ohio Constitution.

D. Fund Accounting

The Library uses fund accounting to segregate cash that is 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 Projects Fund

This fund is used to account for receipts that are restricted for the acquisition and construction of major capital projects. The Library had a Capital Project Fund for acquisition and remodeling of a new library.

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or object 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 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 basis of accounting used by the Library.

2. EQUITY IN POOLED CASH

The Library maintains a cash deposits pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Deposits	<u>\$274,168</u>	<u>\$154,243</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$671,628	\$670,592	(\$1,036)
Capital Projects	<u>158,270</u>	<u>158,270</u>	<u>0</u>
Total	<u>\$829,898</u>	<u>\$828,862</u>	<u>(\$1,036)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$710,889	\$696,814	\$14,075
Capital Projects	<u>273,270</u>	<u>44,478</u>	<u>228,792</u>
Total	<u>\$984,159</u>	<u>\$741,292</u>	<u>\$242,867</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$627,451	\$624,182	(\$3,269)
Capital Projects	<u>115,000</u>	<u>115,000</u>	<u>0</u>
Total	<u>\$742,451</u>	<u>\$739,182</u>	<u>(\$3,269)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$708,734	\$699,661	\$9,073
Capital Projects	<u>334,915</u>	<u>234,446</u>	<u>100,469</u>
Total	<u>\$1,043,649</u>	<u>\$934,107</u>	<u>\$109,542</u>

**UNION TOWNSHIP PUBLIC LIBRARY
BROWN COUNTY**

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

4. OTHER GOVERNMENTAL 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 on account of any additional revenues realized by the Library.

5. RETIREMENT SYSTEMS

The Public Employees Retirement System (PERS) of Ohio 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries in 1999 and an amount equal to 10.84% in 2000.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risk:

Comprehensive property and general liability



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

Union Township Public Library
Brown County
27 Main Street
Ripley, Ohio 45167

To the Board of Trustees:

We have audited the accompanying financial statements of the Union Township Public Library, Brown County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 15, 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 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 instance of noncompliance that is 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 other matters 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 June 15, 2001.

Union Township Public Library
Brown County
Report 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

June 15, 2001



STATE OF OHIO
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UNION TOWNSHIP PUBLIC LIBRARY

BROWN 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
JULY 24, 2001**