

***RODMAN PUBLIC LIBRARY***

**AUDIT REPORT**

**For the Years Ended December 31, 2001 & 2000**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
**Certified Public Accountants**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Rodman Public Library

We have reviewed the Independent Auditor's Report of the Rodman Public Library, Stark County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rodman Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

May 3, 2002

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**RODMAN PUBLIC LIBRARY**  
**AUDIT REPORT**  
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**RODMAN PUBLIC LIBRARY**  
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**APPOINTED OFFICIALS**

<u>APPOINTED OFFICIALS</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Thomas P. Moushey	President	1/01/97 to 12/31/03
Thomas N. Harper Renewed	Vice-President	1/01/94 to 12/31/00 1/01/01 to 12/31/07
Esmond E. Fogle	Board Member	1/01/00 to 12/31/06
Timothy W. McLeod	Board Member	3/28/99 to 12/31/04
Patricia C. Matthews	Board Member	1/01/96 to 12/31/02
John F. Peters	Board Member	1/01/99 to 12/31/05
Margaret K. Rodman	Board member	1/01/95 to 12/31/01

**Statutory Legal Counsel :**

Robert Horowitz  
Stark County Prosecutor  
110 Central Plaza South  
Canton, Ohio 44702

**RODMAN PUBLIC LIBRARY**  
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**ADMINISTRATIVE PERSONNEL**

<u>TITLE</u>	<u>CONTRACT PERIOD</u>	<u>SURETY</u>	<u>AMOUNT</u>
<u>Clerk-Treasurer:</u>			
Harriet Clem	Organizational Meeting 2000 to Organizational Meeting 2002	(A)	\$ 25,000
<u>Deputy Treasurer:</u>			
Marilyn Bower	Organizational Meeting 2000 to Organizational Meeting 2002	(A)	\$ 25,000

Address:  
215 E. Broadway Street  
Alliance, Ohio 44601

(A) Insurance Company of North America

**RODMAN PUBLIC LIBRARY**  
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**INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPES:**

**General Fund:**

**General Fund**

**Capital Projects Funds:**

**Permanent Improvement Fund**  
**Building and Repair Fund**

**FIDUCIARY FUND TYPES:**

**Non-Expendable Trust Fund:**

**Endowment Fund**



***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

**Rockefeller Building**  
**614 W Superior Ave Ste 1242**  
**Cleveland OH 44113-1306**  
**Office phone - (216) 575-1630**  
**Fax - (216) 436-2411**

**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Rodman Public Library  
Alliance, Ohio

We have audited the accompanying financial statements of the Rodman Public Library (the Library), as of and for the years ended December 31, 2001 and 2000, as listed in the table of contents. 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 auditing standards generally accepted in the United States of America 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 a 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 cash, investments and fund cash balances of the Library, for the years ended December 31, 2001 and 2000, and the combined receipts, disbursements, and changes in fund cash balances, its combined statement of receipts-budget and actual and combined statement of disbursements and encumbrances compared with expenditure authority for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2002 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, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.***  
**March 11, 2002**

**RODMAN PUBLIC LIBRARY**  
**COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND**  
**CASH BALANCES - All Fund Types**  
**As of December 31, 2001 & 2000**

	<u>2001</u> <u>Balance</u>	<u>2000</u> <u>Balance</u>
Cash and Cash Equivalents	\$ 612,918	\$ 235,635
Investments	<u>2,624,590</u>	<u>2,651,480</u>
<b>Total (Memorandum Only)</b>	<b><u>\$ 3,237,508</u></b>	<b><u>\$ 2,887,115</u></b>

**Cash Balances by Fund Class**

**Governmental Fund Types:**

General Fund	\$ 296,918	\$ 224,539
Capital Project Funds	<u>2,834,928</u>	<u>2,563,388</u>

**Fiduciary Fund Type:**

Non-Expendable Trust Fund	<u>105,662</u>	<u>99,188</u>
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<b>Total (Memorandum Only)</b>	<b><u>\$ 3,237,508</u></b>	<b><u>\$ 2,887,115</u></b>
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See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2001**

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Total Memorandum Only</u>
<b>Receipts:</b>			
Taxes	\$ 2,044,314	-	\$ 2,044,314
Fines and Fees	40,952	-	40,952
Interest	16,579	\$ 147,787	164,366
Contributions, Gifts and Donations	31,676	-	31,676
Miscellaneous Revenue	7,862	-	7,862
<b>Total Receipts</b>	<b>2,141,383</b>	<b>147,787</b>	<b>2,289,170</b>
<b>Disbursements:</b>			
Personal Services	1,077,752	-	1,077,752
Supplies	60,224	-	60,224
Contractual Services	265,442	-	265,442
Materials	430,208	-	430,208
Capital Outlay	105,269	-	105,269
Miscellaneous	6,356	-	6,356
<b>Total Disbursements</b>	<b>1,945,251</b>	<b>-</b>	<b>1,945,251</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>196,132</b>	<b>147,787</b>	<b>343,919</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers-In	-	123,753	123,753
Operating Transfers-Out	(123,753)	-	(123,753)
<b>Total Other Financing Sources (Uses)</b>	<b>(123,753)</b>	<b>123,753</b>	<b>-</b>
<b>Excess/Deficiency of Receipts and Other Sources Over Disbursements and Other Uses</b>	<b>72,379</b>	<b>271,540</b>	<b>343,919</b>
<b>Fund Balance January 1, 2001</b>	<b>224,539</b>	<b>2,563,388</b>	<b>2,787,927</b>
<b>Fund Balance December 31, 2001</b>	<b>\$ 296,918</b>	<b>\$ 2,834,928</b>	<b>\$ 3,131,846</b>

See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2000**

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Total Memorandum Only</u>
<b>Receipts:</b>			
Taxes	\$ 2,053,273	-	\$ 2,053,273
Fines and Fees	38,736	-	38,736
Interest	27,488	\$ 119,154	146,642
Contributions, Gifts and Donations	37,488	-	37,488
Miscellaneous Revenue	<u>3,105</u>	<u>-</u>	<u>3,105</u>
<b>Total Receipts</b>	<b>2,160,090</b>	<b>119,154</b>	<b>2,279,244</b>
<b>Disbursements:</b>			
Personal Services	1,001,972	-	1,001,972
Supplies	48,245	-	48,245
Contractual Services	235,817	-	235,817
Materials	365,709	-	365,709
Capital Outlay	47,524	-	47,524
Miscellaneous	<u>6,764</u>	<u>-</u>	<u>6,764</u>
<b>Total Disbursements</b>	<b>1,706,031</b>	<b>-</b>	<b>1,706,031</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>454,059</b>	<b>119,154</b>	<b>573,213</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers-In	-	395,000	395,000
Operating Transfers-Out	(425,000)	-	(425,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(425,000)</u>	<u>395,000</u>	<u>(30,000)</u>
<b>Excess/Deficiency of Receipts and Other Sources Over Disbursements and Other Uses</b>	<b>29,059</b>	<b>514,154</b>	<b>543,213</b>
<b>Fund Balance January 1, 2000</b>	<u>195,480</u>	<u>2,049,234</u>	<u>2,244,714</u>
<b>Fund Balance December 31, 2000</b>	<u>\$ 224,539</u>	<u>\$ 2,563,388</u>	<u>\$ 2,787,927</u>

See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**Cash Balances - All Fiduciary Funds Types**  
**For the Years Ended December 31, 2001 & 2000**

<u>Non-Expendable Trust</u>	<u>2001</u>	<u>2000</u>
Interest	\$ 3,795	\$ 1,987
Contributions, Gifts, and Donations	5,020	49,662
Operating Cash Disbursements	<u>(2,341)</u>	<u>(671)</u>
Net Receipts Over Disbursements	6,474	50,978
Non-Operating Receipts/Disbursements Transfers-In	<u>-</u>	<u>30,000</u>
Total Non-Operating Receipts/ Disbursements	<u>-</u>	<u>30,000</u>
Net Receipts and Non-Operating Receipts over Disbursements	6,474	80,978
Fund Balance January 1,	<u>99,188</u>	<u>18,210</u>
Fund Balance December 31,	<u>\$ 105,662</u>	<u>\$ 99,188</u>

See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
**COMBINED STATEMENT OF RECEIPTS -**  
**BUDGET AND ACTUAL**  
For the Years Ended December 31, 2001 and 2000

<u>Fund Types/Funds</u>	<u>2000 Budget</u>	<u>2000 Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental:			
General	\$ 2,157,293	\$ 2,160,090	\$ 2,797
Capital Projects	80,000	514,154	434,154
Fiduciary:			
Non-Expendable Trust	<u>900</u>	<u>81,649</u>	<u>80,749</u>
Total (Memorandum Only)	<u>\$ 2,238,193</u>	<u>\$ 2,755,893</u>	<u>\$ 517,700</u>

<u>Fund Types/Funds</u>	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Governmental:			
General	\$ 2,134,234	\$ 2,141,383	\$ 7,149
Capital Projects	102,535	147,787	45,252
Fiduciary:			
Non-Expendable Trust	<u>3,961</u>	<u>8,815</u>	<u>4,854</u>
Total (Memorandum Only)	<u>\$ 2,240,730</u>	<u>\$ 2,297,985</u>	<u>\$ 57,255</u>

See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
 COMBINED STATEMENT OF DISBURSEMENTS AND ENCUMBRANCES  
 COMPARED WITH EXPENDITURE AUTHORITY  
 For the Years Ended December 31, 2001 and 2000

Fund Types/Funds	Prior Year Carryover Appropriations	2000 Appropriations	Total	Actual 2000 Disbursements	Encumbrances Outstanding at 12/31/00	Total	Variance Favorable/ (Unfavorable)
Governmental:							
General	\$ 110,866	\$ 2,169,932	\$ 2,280,798	\$ 2,131,031	\$ 155,563	\$ 2,286,594	\$ (5,796)
Capital Projects	-	102,535	102,535	-	-	-	102,535
Fiduciary:							
Non-Expendable Trust	217	3,961	4,178	671	157	828	3,350
Total (Memorandum Only)	<u>\$ 111,083</u>	<u>\$ 2,276,428</u>	<u>\$ 2,387,511</u>	<u>\$ 2,131,702</u>	<u>\$ 155,720</u>	<u>\$ 2,287,422</u>	<u>\$ 100,089</u>

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Fund Types/Funds	Prior Year Carryover Appropriations	2001 Appropriations	Total	Actual 2001 Disbursements	Encumbrances Outstanding at 12/31/01	Total	Variance Favorable/ (Unfavorable)
Governmental:							
General	\$ 155,563	\$ 2,208,710	\$ 2,364,273	\$ 2,069,004	\$ 206,918	\$ 2,275,922	\$ 88,351
Capital Projects	-	63,785	63,785	-	-	-	63,785
Fiduciary:							
Non-Expendable Trust	157	2,374	2,531	2,341	109	2,450	81
Total (Memorandum Only)	<u>\$ 155,720</u>	<u>\$ 2,274,869</u>	<u>\$ 2,430,589</u>	<u>\$ 2,071,345</u>	<u>\$ 207,027</u>	<u>\$ 2,278,372</u>	<u>\$ 152,217</u>

See accompanying Notes to the Financial Statements.

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Rodman Public Library is a school district library established for the purpose of providing normal library services to all inhabitants of the county and exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Rodman Public Library is a library district as defined by Section 3375 of the Ohio Revised Code. The District operates under an appointed Board of Library Trustees (7 members) and is responsible for the day to day operations of the Library as well as the services rendered to the residents of the community.

**B. REPORTING ENTITY**

In evaluating how to define the Library for financial reporting purposes, management has considered all agencies, departments and organizations making up the Rodman Public Library (the primary government) and its potential component units consistent with Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

The Library provides various services including maintaining branches, library stations, and traveling library services in any school district outside the subdivision. The operation of each of these activities is directly controlled by the board through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the Library, as the primary government, is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and 1) the Library is able to significantly influence the programs or services performed or provided by the organization; or 2) the Library is legally entitled to or can otherwise access the organization's resources; 3) the library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Library has determined that there are no component units required to be included in the financial statements.



**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

C. **FUNDS REPORTED**

The Library maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**Governmental Fund Types:**

**General Fund:** The general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects Funds:** To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fiduciary Fund Types:**

**Non-Expendable Trust Fund:** Used to account for assets held by the Library in a trustee capacity for another government, organization, or individuals subject to the terms of the contractual trust agreement.

D. **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 disbursement basis of accounting. Receipts are recognized when received in cash rather than earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when commitment is made (i.e. when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed by the Auditor of State.

E. **INVESTMENTS AND INACTIVE FUNDS**

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**F. BUDGETARY PROCESS**

**1. Budget**

A budget of estimated cash receipts and disbursements is prepared by the Clerk-Treasurer, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the county budget commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The county auditor calculates the estimated revenues available to the Library. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the library. The certificate is approved by the County Budget Commission and sent to the Library Clerk-Treasurer by September 1.

Prior to December 31, the Library revises its budget so that the total budgeted expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

On or about January 1, the certificate is amended to include the actual unencumbered fund balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Clerk-Treasurer.

**3. Appropriations**

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure is passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations should not exceed estimated resources.

**4. Encumbrances**

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances are added to budgetary and compared to current year appropriations plus prior year carry-over appropriations.

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**2. EQUITY IN POOLED CASH AND CASH INVESTMENTS**

The Library maintains a cash and investment pool. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 2001 & 2000."

**Legal Requirements**

**Policies and Procedures:** Monies held by the Library are classified by State Statute into three categories. "Active monies" means an amount of public monies determined to be necessary to meet current demand upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

"Inactive deposits" are public deposits that the Library has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

"Interim deposits" are public deposits of interim monies. Interim monies are those which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be invested in the following securities.

1. United State treasury notes, bills, bonds, or other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including by not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuance of federal agencies or instrumentalities:
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be market to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio:

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**2. EQUITY IN POOLED CASH AND CASH INVESTMENTS - (continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio); and

The Library may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

2. Bonds of any municipal corporation, Library, county township, or other political subdivision of the State of Ohio, as to which there is no default of principal, interest or coupons; and

3. Obligations of the Library.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purchase of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk-treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the clerk-treasurer.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**Deposits:** At year end, the carrying amount of the Library's deposits were \$1,110,635 in 2000 and \$1,112,918 in 2001 and the bank balances were \$1,216,350 in 2000 and \$1,200,764 in 2001. Of the balance:

1. \$100,000 was covered by federal depository insurance for each year, and

2. \$1,116,350 of the 2000 balance and \$1,100,764 of the 2001 balance was uninsured, collateralized by U.S. Government Securities pooled by the depositories not in the Library's name. As with all deposits, there is risk of loss of assets, but management believes this collateral gives the Library its safest deposit of money.

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**2. EQUITY IN POOLED CASH AND CASH INVESTMENTS - (continued)**

**Investments:** GASB Statement No.3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and market value of investments classified by risk. Category 1 included investments that are insured or registered for which the securities are held in the counter parties trust department or agent in the Library's name. Category 2 includes uninsured and unregistered investments which are held by the counter parties trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department but not in the Library's name. At December 31, 2001 & 2000, the Library's investments were as follows:

<u>2001</u>	<u>Category 2</u>	<u>Carrying Value</u>
U.S. Treasury Notes	\$1,314,763	\$1,314,763
U.S. Treasury Bills	149,174	149,174
Federal National Mort. Assoc.	230,647	230,647
Federal Home Loan Bank	<u>430,006</u>	<u>430,006</u>
<b>Total</b>	<b><u>\$2,124,590</u></b>	<b><u>\$2,124,590</u></b>
<u>2000</u>	<u>Category 2</u>	<u>Carrying Value</u>
U.S. Treasury Notes	\$1,676,548	\$1,676,548
Federal Home Loan Bank	<u>99,932</u>	<u>99,932</u>
<b>Total</b>	<b><u>\$1,776,480</u></b>	<b><u>\$1,776,480</u></b>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<u>2000</u>		
GASB Statement 9	\$ 235,635	\$2,651,480
Investments:		
Certificate of Deposit		
With a maturity of		
More than 90 days	<u>875,000</u>	<u>( 875,000)</u>
GASB Statement 3	<u>\$1,110,635</u>	<u>\$1,776,480</u>

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**2. EQUITY IN POOLED CASH AND CASH INVESTMENTS - (continued)**

	Cash and Cash Equivalents/Deposits	Investments
<b><u>2001</u></b>		
GASB Statement 9	\$ 612,918	\$2,624,590
Investments:		
Certificate of Deposit		
With a maturity of		
More than 90 days	<u>500,000</u>	<u>( 500,000)</u>
GASB Statement 3	<u>\$1,112,918</u>	<u>\$2,124,590</u>

**3. STATE TAX**

The State establishes a credit of five and seven-tenths percent of the Ohio income tax collected during the preceding month for the Library and local support fund for distribution. The county budget commission is empowered to allocate the proceeds to library boards on the basis of their needs.

The Rodman Public Library received state taxes as follows:

Columbiana County 2000 \$14,102 and 2001 \$14,392;  
Mahoning County 2000 \$85,962 and 2001 \$86,995;  
Stark County 2000 \$1,953,209 and 2001 \$1,942,927.

The tax money received from the three counties are allocated to the General Fund to meet current operating expenses.

**4. RISK MANAGEMENT**

The Library is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal years 2001 & 2000, the Library contracted with one insurance company for coverage of building and contents.

The following is a list of insurance coverages of the Library and the deductibles associated with each:

<u>Types of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Property	\$3,219,500	\$1,000
General Aggregate Limit	2,000,000	-0-
Product/Completed Operation	2,000,000	-0-
Personal & Advertising Injury	1,000,000	-0-
Fire Damage Limit	100,000	-0-
Medical Expense Limit	5,000	-0-

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

**4. RISK MANAGEMENT – (continued)**

Settled claims have not exceeded commercial coverage in the past three years. Also, there have been no material reductions in coverage during the past year.

All employees of the Library are covered by a blanket bond, while certain individuals in the policy making roles are covered by a separate, higher limit bond coverage.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative cost.

**5. DEFINED BENEFIT PENSION PLAN**

The Public Employees Retirement System (PERS) of Ohio is a cost-sharing multiple-employer administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. For local government employer units the rate was 10.84% of covered payroll. The contribution rates are determined actuarially. The Library required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$112,790, \$84,880, and \$106,412; respectively, which equals the required contributions for those years. The full amount has been contributed for 2000 and 1999. 92% has been contributed for 2001.

**6. POSTEMPLOYMENT BENEFITS**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio Service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The 2001 employer contribution rate for local employers was 10.84% of covered payroll; 4.3% was the portion that was used to fund health care.

Benefits are advance-funded on an actuarially determined basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively. As of December 31, 2000 (the latest information available), the unaudited estimated net assets available for future OPEB payments were \$10,805.5 million. At December 31, 2000, the total number of benefit recipients eligible for OPEB through PERS was 411,076. The Library's actual contribution for 2001 which was used to fund OPEB was \$45,116.

**RODMAN PUBLIC LIBRARY**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2001 & 2000**

7. **SUBSEQUENT EVENTS/PENDING LITIGATION**

Management believes there are no pending claims or lawsuits.



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Rodman Public Library  
Alliance, Ohio

We have audited the financial statements of the Rodman Public Library as of and for the years ended December 31, 2001 & 2000, and have issued our report thereon dated March 11, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated March 11, 2002.

**Internal Controls 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.

**This report is intended for the information and use of management, and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.**

***Charles E. Harris & Associates, Inc.***  
**March 11, 2002**

**STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS**

The prior period audit report, as of December 31, 1999 & 1998, did not include material citations or reportable conditions.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**RODMAN 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  
MAY 9, 2002**