



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Non-Expendable Trust Funds - For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2000	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Non-Expendable Trust Funds - For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	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

Greene County Public Library
Greene County
76 East Market Street
P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Public Library, Greene County (the Library) as of and for the years ended December 31, 2001 and 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 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 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, 2001 and 2000, and its combined 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 May 23, 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

May 23, 2002

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
State Income Taxes	\$ 5,820,899			\$5,820,899
Property Taxes	717,656			717,656
Intergovernmental Revenues	80,032			80,032
Other Grants In Aid			\$117,590	117,590
Patron Fines & Fees	176,832			176,832
Interest	220,006	\$91	845	220,942
Contributions, Gifts and Donations	2,339	2,218		4,557
Miscellaneous Receipts	7,797		31	7,828
Total Cash Receipts	<u>7,025,561</u>	<u>2,309</u>	<u>118,466</u>	<u>7,146,336</u>
Cash Disbursements:				
Salaries & Benefits	3,645,656			3,645,656
Supplies	135,893			135,893
Purchased & Contracted Services	715,344		134,013	849,357
Library Materials	1,226,395	203		1,226,598
Capital Outlay	118,080		2,043,899	2,161,979
Other Objects	15,103			15,103
Total Cash Disbursements	<u>5,856,471</u>	<u>203</u>	<u>2,177,912</u>	<u>8,034,586</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,169,090</u>	<u>2,106</u>	<u>(2,059,446)</u>	<u>(888,250)</u>
Other Financing Receipts/(Disbursements):				
Sale of Surplus Property	494			494
Transfers-In			915,000	915,000
Transfers-Out	(915,000)			(915,000)
Total Other Financing Receipts/(Disbursements)	<u>(914,506)</u>		<u>915,000</u>	<u>494</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	254,584	2,106	(1,144,446)	(887,756)
Fund Cash Balances, January 1	<u>2,145,068</u>	<u>30,739</u>	<u>2,381,910</u>	<u>4,557,717</u>
Fund Cash Balances, December 31	<u>\$2,399,652</u>	<u>\$32,845</u>	<u>\$1,237,464</u>	<u>\$3,669,961</u>
Reserves for Encumbrances, December 31	<u>\$356,901</u>	<u>\$5,010</u>	<u>\$60,608</u>	<u>\$422,519</u>

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

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investments	<u>\$1,444</u>
Operating Cash Disbursements:	
Library Materials	<u>796</u>
Net Receipts Over/(Under) Disbursements	648
Fund Cash Balances, January 1	<u>36,110</u>
Fund Cash Balances, December 31	<u><u>\$36,758</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>

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

**GREENE COUNTY PUBLIC LIBRARY
GREENE 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
State Income Taxes	\$5,683,350			\$5,683,350
Property Taxes	701,660			701,660
Intergovernmental Revenues	78,371			78,371
Patron Fines & Fees	166,055			166,055
Interest	247,897	\$173		248,070
Contributions, Gifts and Donations	6,659	2,860		9,519
Miscellaneous Receipts			\$850	850
Total Cash Receipts	<u>6,883,992</u>	<u>3,033</u>	<u>850</u>	<u>6,887,875</u>
Cash Disbursements:				
Salaries & Benefits	3,385,333			3,385,333
Supplies	126,214			126,214
Purchased & Contracted Services	713,650		161,037	874,687
Library Materials	1,135,308	1,402		1,136,710
Capital Outlay	100,207		450,804	551,011
Other Objects	12,894			12,894
Total Cash Disbursements	<u>5,473,606</u>	<u>1,402</u>	<u>611,841</u>	<u>6,086,849</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,410,386</u>	<u>1,631</u>	<u>(610,991)</u>	<u>801,026</u>
Other Financing Receipts/(Disbursements):				
Sale of Surplus Property	4,981			4,981
Transfers-In			911,754	911,754
Transfers-Out	(911,754)			(911,754)
Total Other Financing Receipts/(Disbursements)	<u>(906,773)</u>		<u>911,754</u>	<u>4,981</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	503,613	1,631	300,763	806,007
Fund Cash Balances, January 1	<u>1,641,455</u>	<u>29,108</u>	<u>2,081,147</u>	<u>3,751,710</u>
Fund Cash Balances, December 31	<u>\$2,145,068</u>	<u>\$30,739</u>	<u>\$2,381,910</u>	<u>\$4,557,717</u>
Reserves for Encumbrances, December 31	<u>\$598,167</u>	<u>\$5,042</u>	<u>\$1,096,684</u>	<u>\$1,699,893</u>

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

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Earnings on Investments	<u>\$1,813</u>
Operating Cash Disbursements:	
Library Materials	<u>150</u>
Net Receipts Over/(Under) Disbursements	1,663
Fund Cash Balances, January 1	<u>34,447</u>
Fund Cash Balances, December 31	<u><u>\$36,110</u></u>
Reserves for Encumbrances, December 31	<u><u>\$540</u></u>

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

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greene County Public Library, Greene 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 Ohio. The Library is directed by a seven-member Board of Trustees, four appointed by the Board of County Commissioners, and three appointed by the Judges of the 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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit and U.S. Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer

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.

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

Intellectual Freedom Fund – This fund received various donations from local organizations.

Local History Department Fund – This fund received donations from Patrons for assisting in research.

3. 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 funds:

Building and Repair Fund - This fund received transfers from the General fund for contracted services and capital outlay, for major Library renovation projects.

Technology Fund – This fund received a grant from the Gates Foundation, as well as transfers from the General Fund, for capital expenditures related to technological advances.

4. Fiduciary Funds (Trust Funds)

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:

Steele Trust Fund – This fund is classified as a nonexpendable trust fund and receives interest earnings for the purchase of books.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances may not exceed appropriations at the fund, function, and object level of control.

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 re-appropriated.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

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:

	2001	2000
Demand deposits	(\$125,499)	\$430,731
Certificates of deposit	27,154	241,274
Total deposits	(98,345)	672,005
U.S. Treasury Notes	1,957,636	2,186,613
STAR Ohio	1,847,428	1,735,209
Total investments	3,805,064	3,921,822
Total deposits and investments	\$3,706,719	\$4,593,827

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

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Investments: U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,953,929	\$7,026,055	\$72,126
Special Revenue	0	2,309	2,309
Capital Projects	617,590	1,033,466	415,876
Fiduciary	0	1,444	1,444
Total	\$7,571,519	\$8,063,274	\$491,755

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$8,500,829	\$7,128,372	\$1,372,457
Special Revenue	25,697	5,213	20,484
Capital Projects	1,402,814	2,238,520	(835,706)
Fiduciary	9,107	796	8,311
Total	\$9,938,447	\$9,372,901	\$565,546

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,372,966	\$6,888,973	\$516,007
Special Revenue	0	3,033	3,033
Capital Projects	500,000	912,604	412,604
Fiduciary	0	1,813	1,813
Total	\$6,872,966	\$7,806,423	\$933,457

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$7,653,732	\$6,983,527	\$670,205
Special Revenue	28,864	6,444	22,420
Capital Projects	2,224,979	1,708,525	516,454
Fiduciary	7,984	690	7,294
Total	\$9,915,559	\$8,699,186	\$1,216,373

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 based on of any additional revenues the Library receives.

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 Intergovernmental Revenue. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

5. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RETIREMENT SYSTEM (Continued)

Contribution rates are prescribed by the Ohio Revised Code. For 2001 and 2000, the Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. SUBSEQUENT EVENT

The Board of Library Trustees, at its January 9, 2002 meeting, authorized the sale of all Anthem shares. Tower Square Securities Inc. brokered the transaction. 2,435 shares of Anthem stock, with gross proceeds equaling \$138,041, were sold on February 22, 2002. These funds were placed in a Banksafe Plus savings account with Fifth Third, earning interest at a rate of 1.94%.



**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 937-286-6688
www.auditor.state.oh.us

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

Greene County Public Library
Greene County
76 East Market Street
P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Public Library, Greene County (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 23, 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 a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 23, 2002.

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 May 23, 2002.

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

May 23, 2002



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

GREENE COUNTY PUBLIC LIBRARY

GREENE 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 18, 2002**