



**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

Carnegie Public Library  
Fayette County  
127 South North Street  
Washington CH, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of the Carnegie Public Library, Fayette 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 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, 2000 and 1999, 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 June 28, 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 result of our audit.

This report is intended solely for the information and use of the Audit Committee, 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 28, 2001

**CARNEGIE PUBLIC LIBRARY  
FAYETTE 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**

	<b>General</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Grants-in-Aid	\$950,000	\$0	\$950,000
Other Government Grants-In-Aid	25,000		25,000
Patron Fines and Fees	14,172		14,172
Earnings on Investments	52,926		52,926
Contributions, Gifts and Donations	429		429
Miscellaneous Receipts	7,404		7,404
	1,049,931	0	1,049,931
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	493,516		493,516
Supplies	26,234		26,234
Purchased and Contracted Services	123,719		123,719
Library Materials & Info	114,695		114,695
Other Objects	17,128		17,128
Capital Outlay	38,515	356,906	395,421
	813,807	356,906	1,170,713
Total Cash Disbursements	813,807	356,906	1,170,713
Total Cash Receipts Over/(Under) Cash Disbursements	236,124	(356,906)	(120,782)
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	300,000	300,000
Transfers-Out	(300,000)	0	(300,000)
	(300,000)	300,000	0
Total Other Financing Receipts/(Disbursements)	(300,000)	300,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(63,876)	(56,906)	(120,782)
Fund Cash Balances, January 1	330,305	400,000	730,305
<b>Fund Cash Balances, December 31</b>	<b>\$266,429</b>	<b>\$343,094</b>	<b>\$609,523</b>
Reserves for Encumbrances, December 31	\$14,063	\$14,872	\$28,935

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

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

**Operating Cash Receipts:**

Total Operating Cash Receipts	<u>    \$0</u>
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**Operating Cash Disbursements:**

Total Operating Cash Disbursements	<u>    0</u>
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Operating Income/(Loss)	<u>    0</u>
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Fund Cash Balances, January 1	<u>  10,000</u>
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<b>Fund Cash Balances, December 31</b>	<b><u>  \$10,000</u></b>
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*The notes to the financial statements are an integral part of this statement.*

**CARNEGIE PUBLIC LIBRARY  
FAYETTE 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, 1999**

	<b>General</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Grants-in-Aid	\$964,831	\$0	\$964,831
Patron Fines and Fees	13,886		13,886
Earnings on Investments	37,577		37,577
Contributions, Gifts and Donations	330		330
Miscellaneous Receipts	9,596		9,596
 Total Cash Receipts	 1,026,220	 0	 1,026,220
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	443,936		443,936
Supplies	22,134		22,134
Purchased and Contracted Services	83,059		83,059
Library Materials & Info	104,434		104,434
Other Objects	25,221		25,221
Capital Outlay	67,468		67,468
 Total Cash Disbursements	 746,252	 0	 746,252
 Total Cash Receipts Over/(Under) Cash Disbursements	 279,968	 0	 279,968
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		300,000	300,000
Transfers-Out	(300,000)		(300,000)
 Total Other Financing Receipts/(Disbursements)	 (300,000)	 300,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (20,032)	 300,000	 279,968
 Fund Cash Balances, January 1	 350,337	 100,000	 450,337
 <b>Fund Cash Balances, December 31</b>	 <b>\$330,305</b>	 <b>\$400,000</b>	 <b>\$730,305</b>
 Reserves for Encumbrances, December 31	 \$26,265	 \$0	 \$26,265

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

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

**Operating Cash Receipts:**

Total Operating Cash Receipts     \$0

**Operating Cash Disbursements:**

Total Operating Cash Disbursements     0

Operating Income/(Loss)     0

Fund Cash Balances, January 1   10,000

**Fund Cash Balances, December 31** **\$10,000**

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

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Carnegie Public Library, Fayette 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 6-member Board of Trustees appointed by the City of Washington. 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 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.

**2. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant Capital Project Funds:

Building & Improvements Fund - Periodically receives money from the General Fund and disburses these funds for the purpose of construction projects.

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

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

**3. Fiduciary Fund (Nonexpendable Trust)**

Trust funds are used to account for resources restricted by legally binding trust agreements. The Library had the following significant Nonexpendable Trust Fund:

Endowment Nonexpendable Trust Fund - Established with a donation as required by the donor. Interest earned on funds to be used for library operating expenses.

**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, and 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 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:

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$4,077	\$170,183
Certificates of deposit	10,000	10,000
Petty Cash and Change Fund	45	45
Total deposits	14,122	180,228
STAR Ohio	605,401	560,077
Total investments	605,401	560,077
Total deposits and investments	\$619,523	\$740,305

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

**Investments:** Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**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	\$995,900	\$1,049,931	\$54,031
Capital Projects	0	300,000	300,000
Fiduciary	0	0	0
Total	\$995,900	\$1,349,931	\$354,031

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,326,205	\$1,127,870	\$198,335
Capital Projects	400,000	371,778	28,222
Fiduciary	0	0	0
Total	\$1,726,205	\$1,499,648	\$226,557

**CARNEGIE PUBLIC LIBRARY  
FAYETTE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$937,100	\$1,026,220	\$89,120
Capital Projects	0	300,000	300,000
Fiduciary	0	0	0
Total	<u>\$937,100</u>	<u>\$1,326,220</u>	<u>\$389,120</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,287,437	\$1,072,517	\$214,920
Capital Projects	100,000	0	100,000
Fiduciary	0	0	0
Total	<u>\$1,387,437</u>	<u>\$1,072,517</u>	<u>\$314,920</u>

**4. 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 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 13.55% of participants' gross salaries for 1999 and an average of 10.84% for 2000. The Library has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

The Library also provides health insurance, dental and vision coverage to full-time employees through a private carrier.



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

Carnegie Public Library  
Fayette County  
127 North South Street  
Washington CH, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of the Carnegie Public Library, Fayette County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 28, 2001. 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 an immaterial instance of noncompliance that we have reported to the management of the Library in a separate letter dated June 28, 2001.

**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.

Carnegie Public Library  
Fayette County  
Report 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 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 28, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CARNEGIE PUBLIC LIBRARY**

**FAYETTE 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 31, 2001**