



**DELTA PUBLIC LIBRARY
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Delta Public Library
Fulton County
402 Main Street
Delta, Ohio 43515-1304

To the Board of Trustees:

We have audited the accompanying financial statements of Delta Public Library, Fulton County, (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 audits 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 audits 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 audits provide 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 19, 2001 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 19, 2001

**DELTA PUBLIC LIBRARY
FULTON 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>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$100,282		\$100,282
Other Government Grants-In-Aid	339,609		339,609
Patron Fines and Fees	12,714		12,714
Earnings on Investments	14,616	\$1,193	15,809
Contributions, Gifts and Donations	31,858	95	31,953
Miscellaneous Receipts	225		225
	<u>499,304</u>	<u>1,288</u>	<u>500,592</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	214,676		214,676
Supplies	11,394		11,394
Purchased and Contracted Services	48,796		48,796
Library Materials and Information	77,547		77,547
Other Objects	5,959		5,959
Capital Outlay	41,292	10,259	51,551
	<u>399,664</u>	<u>10,259</u>	<u>409,923</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>99,640</u>	<u>(8,971)</u>	<u>90,669</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		42,495	42,495
Transfers-Out	(42,495)		(42,495)
	<u>(42,495)</u>	<u>42,495</u>	<u></u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	57,145	33,524	90,669
Fund Cash Balances, January 1	<u>153,679</u>	<u>165,291</u>	<u>318,970</u>
Fund Cash Balances, December 31	<u>\$210,824</u>	<u>\$198,815</u>	<u>\$409,639</u>
Reserves for Encumbrances, December 31	<u>\$19,687</u>	<u>\$22,500</u>	<u>\$42,187</u>

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

DELTA PUBLIC LIBRARY
FULTON COUNTY

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

	Nonexpendable Trust
Cash Balances, January 1	<u>\$1,912</u>
Cash Balances, December 31	<u><u>\$1,912</u></u>

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

**DELTA PUBLIC LIBRARY
FULTON 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**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$83,881		\$83,881
Other Government Grants-In-Aid	332,517		332,517
Patron Fines and Fees	12,829		12,829
Earnings on Investments	12,991		12,991
Contributions, Gifts and Donations	61,941	\$405	62,346
Miscellaneous Receipts	360		360
	<u>504,519</u>	<u>405</u>	<u>504,924</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	220,722		220,722
Supplies	10,616		10,616
Purchased and Contracted Services	52,022		52,022
Library Materials and Information	63,291		63,291
Other Objects	5,869		5,869
Capital Outlay	9,719	69,898	79,617
	<u>362,239</u>	<u>69,898</u>	<u>432,137</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>142,280</u>	<u>(69,493)</u>	<u>72,787</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		172,576	172,576
Transfers-Out	(72,521)	(100,055)	(172,576)
	<u>(72,521)</u>	<u>72,521</u>	<u></u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	69,759	3,028	72,787
Fund Cash Balances, January 1	<u>83,920</u>	<u>162,263</u>	<u>246,183</u>
Fund Cash Balances, December 31	<u>\$153,679</u>	<u>\$165,291</u>	<u>\$318,970</u>
Reserves for Encumbrances, December 31	<u>\$16,628</u>	<u>\$10,486</u>	<u>\$27,114</u>

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

DELTA PUBLIC LIBRARY
FULTON COUNTY

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

	<u>Nonexpendable Trust</u>
Cash Balances, January 1	<u>\$1,912</u>
Cash Balances, December 31	<u><u>\$1,912</u></u>

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

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delta Public Library, Fulton 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 the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by Pike - Delta - York Local School District Board of Education. 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.

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:

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

Present Building Fund - This fund receives monies from general operations and interest earned on investments to be used to maintain the current library.

New Building Fund - This fund receives monies from general operations, interest earned on investments and donations to be used toward the construction of a new building.

3. 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. The Library had the following significant fiduciary funds:

Welch/Bratton Fund - The principal (corpus) balance of these trusts are maintained in this fund.

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 and function 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.

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

G. Unpaid Vacation

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as liabilities under the cash basis of accounting used by the Library.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$73,753	\$91,845
Certificates of deposit	<u>228,912</u>	<u>228,912</u>
Total deposits	302,665	320,757
 STAR Ohio	 <u>108,761</u>	 <u> </u>
Total deposits and investments	<u><u>\$411,426</u></u>	<u><u>\$320,757</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

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

Cash on hand: The Library maintains a \$125 petty cash and change fund.

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	\$515,200	\$499,304	(\$15,896)
Capital Projects	<u>61,350</u>	<u>43,783</u>	<u>(17,567)</u>
Total	<u><u>\$576,550</u></u>	<u><u>\$543,087</u></u>	<u><u>(\$33,463)</u></u>

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$575,028	\$461,846	\$113,182
Capital Projects	80,486	32,759	47,727
Total	<u>\$655,514</u>	<u>\$494,605</u>	<u>\$160,909</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$457,320	\$504,519	\$47,199
Capital Projects	132,205	172,981	40,776
Total	<u>\$589,525</u>	<u>\$677,500</u>	<u>\$87,975</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$544,000	\$451,388	\$92,612
Capital Projects	211,055	180,439	30,616
Total	<u>\$755,055</u>	<u>\$631,827</u>	<u>\$123,228</u>

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 State Tax Commissioner is responsible for estimating to the county auditor the amount of LLGSF revenue expected for the next calendar year. The State Auditor's office sends the money each month to the county auditor's office who is responsible for distributing by the 15th of each month the agreed upon allocation of funds to the individual libraries within their jurisdiction. Fulton County Budget Commission utilizes a distribution formula agreed upon by the libraries within the county's jurisdiction. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

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. 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.

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

Public utilities are also taxed on personnel 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.

6. 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, of which the Board of Trustees pay 25% of the members portions. The Library contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Library has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General liability;
- Property;
- Inland Marine;
- Auto;
- Boiler Machinery; and
- Errors and omissions.

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

Delta Public Library
Fulton County
402 Main Street
Delta, Ohio 43515-1304

To the Board of Trustees:

We have audited the accompanying financial statements of Delta Public Library, Fulton County, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 19, 2001. We conducted our audits 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 audits 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 instances of noncompliance that we have reported to management of the Library in a separate letter dated June 19, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that did not require inclusion in this report, that we have reported to management of the Library in a separate letter dated June 19, 2001.

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

Jim Petro
Auditor of State

June 19, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

DELTA PUBLIC LIBRARY

FULTON 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 3, 2001**