



**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Galion Public Library  
Crawford County  
123 North Market Street  
Galion, Ohio 44833

To the Board of Trustees:

We have audited the accompanying financial statements of the Galion Public Library, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Library as of December 31, 2000 and December 31, 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 February 8, 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 finance 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

February 8, 2001

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**GALION PUBLIC LIBRARY  
CRAWFORD 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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Taxes	\$682,763	\$0	\$0	\$682,763
Patron Fines and Fees	17,796	232	0	18,028
Earnings on Investments	50,507	0	0	50,507
Contributions, Gifts and Donations	11,906	13,242	3,025	28,173
Miscellaneous Receipts	17,405	0	0	17,405
Total Cash Receipts	<u>780,377</u>	<u>13,474</u>	<u>3,025</u>	<u>796,876</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	333,850	0	0	333,850
Supplies	21,916	3,324	0	25,240
Purchased and Contracted Services	71,414	3,597	0	75,011
Library Materials	134,768	0	0	134,768
Other Objects	1,897	0	0	1,897
Capital Outlay	48,927	1,314	0	50,241
Total Cash Disbursements	<u>612,772</u>	<u>8,235</u>	<u>0</u>	<u>621,007</u>
Total Cash Receipts Over Cash Disbursements	<u>167,605</u>	<u>5,239</u>	<u>3,025</u>	<u>175,869</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	0	175,000	175,000
Transfers-Out	(175,000)	0	0	(175,000)
Total Other Financing Receipts/(Disbursements)	<u>(175,000)</u>	<u>0</u>	<u>175,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,395)	5,239	178,025	175,869
Fund Cash Balances, January 1	<u>207,767</u>	<u>128,200</u>	<u>413,426</u>	<u>749,393</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$200,372</u></b>	<b><u>\$133,439</u></b>	<b><u>\$591,451</u></b>	<b><u>\$925,262</u></b>

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

**GALION PUBLIC LIBRARY  
CRAWFORD 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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Taxes	\$633,692	\$0	\$0	\$633,692
Patron Fines and Fees	17,156	148	0	17,304
Earnings on Investments	29,905	0	0	29,905
Contributions, Gifts and Donations	11,905	13,987	3,025	28,917
Miscellaneous Receipts	16,391	0	0	16,391
Total Cash Receipts	<u>709,049</u>	<u>14,135</u>	<u>3,025</u>	<u>726,209</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	317,159	0	0	317,159
Supplies	21,301	3,002	0	24,303
Purchased and Contracted Services	79,088	3,728	0	82,816
Library Materials	108,877	348	0	109,225
Other Objects	1,790	0	0	1,790
Capital Outlay	13,914	1,124	0	15,038
Total Cash Disbursements	<u>542,129</u>	<u>8,202</u>	<u>0</u>	<u>550,331</u>
Total Cash Receipts Over Cash Disbursements	<u>166,920</u>	<u>5,933</u>	<u>3,025</u>	<u>175,878</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	0	0	225,871	225,871
Transfers-Out	(225,871)	0	0	(225,871)
Total Other Financing Receipts/(Disbursements)	<u>(225,871)</u>	<u>0</u>	<u>225,871</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(58,951)	5,933	228,896	175,878
Fund Cash Balances, January 1	<u>266,718</u>	<u>122,267</u>	<u>184,530</u>	<u>573,515</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$207,767</u></b>	<b><u>\$128,200</u></b>	<b><u>\$413,426</u></b>	<b><u>\$749,393</u></b>

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

**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Galion Public Library, Crawford 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 nine-member Board of Trustees appointed by the Galion Public Library Association. 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.

**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. 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 Fund:

- The Enrichment Fund receives contributions and donations to support projects at the Library.

**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

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

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

**D. Fund Accounting (Continued)**

**3. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant capital project fund:

- The Building Fund supports the acquisition of property, expansion, renovation and repair of the Library.

**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. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

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.

**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

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

**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>
Deposits	\$179,072	\$154,203
Cash on Hand	190	190
Certificates of deposit	<u>746,000</u>	<u>590,000</u>
Total deposits	<u>925,262</u>	<u>744,393</u>
Treasury Notes	<u>0</u>	<u>5,000</u>
Total deposits and investments	<u><u>\$925,262</u></u>	<u><u>\$744,393</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Library.

**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.

**3. BUDGETARY ACTIVITY**

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

<b>2000 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$680,600	\$780,377	\$99,777
Special Revenue	9,000	13,474	4,474
Capital Projects	<u>52,900</u>	<u>178,025</u>	<u>125,125</u>
Total	<u><u>\$742,500</u></u>	<u><u>\$971,876</u></u>	<u><u>\$229,376</u></u>

<b>2000 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$880,600	\$787,772	\$92,828
Special Revenue	128,000	8,235	119,765
Capital Projects	<u>384,000</u>	<u>0</u>	<u>384,000</u>
Total	<u><u>\$1,392,600</u></u>	<u><u>\$796,007</u></u>	<u><u>\$596,593</u></u>

**GALION PUBLIC LIBRARY  
CRAWFORD COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<b>1999 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$596,100	\$709,049	\$112,949
Special Revenue	10,000	14,135	4,135
Capital Projects	500	228,896	228,396
Total	<u>\$606,600</u>	<u>\$952,080</u>	<u>\$345,480</u>

<b>1999 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$768,000	\$768,000	\$0
Special Revenue	50,000	8,202	41,798
Capital Projects	170,000	0	170,000
Total	<u>\$988,000</u>	<u>\$776,202</u>	<u>\$211,798</u>

**4. 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 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 from January 1, 1999 - June 30, 2000. Due to a rollback in employer contribution rates, this amount was reduced to 8.13% from July 1, 2000 - December 31, 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, life insurance and prescription drug coverage to full-time employees through a private carrier.



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

Galion Public Library  
Crawford County  
123 North Market Street  
Galion, Ohio 44833

To the Board of Trustees:

We have audited the accompanying financial statements of the Galion Public Library, Crawford County, Ohio (the Library), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated February 8, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 February 8, 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.

This report is intended for the information and use of the finance 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

February 8, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**GALION PUBLIC LIBRARY**

**CRAWFORD 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  
MARCH 13, 2001**