



**PATASKALA PUBLIC LIBRARY
LICKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PATASKALA PUBLIC LIBRARY
LICKING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Pataskala Public Library
Licking County
101 South Vine Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the Pataskala Public Library, Licking 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 and reserves for encumbrances 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 May 11, 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 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

May 11, 2001

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**PATASKALA PUBLIC LIBRARY
LICKING 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	\$652,619	\$0	\$652,619
Patron Fines and Fees	12,715	0	12,715
Earnings on Investments	8,216	50,695	58,911
Contributions, Gifts and Donations	1,554	0	1,554
Miscellaneous Receipts	715	0	715
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	675,819	50,695	726,514
Cash Disbursements:			
Current:			
Salaries and Benefits	370,747	0	370,747
Supplies	18,525	50	18,575
Purchased and Contracted Services	29,913	33,721	63,634
Library Materials and Information	155,562	0	155,562
Other Objects	132	0	132
Capital Outlay	13,236	0	13,236
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	588,115	33,771	621,886
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	87,704	16,924	104,628
Other Financing Receipts/(Disbursements):			
Transfers-In	0	70,000	70,000
Transfers-Out	(70,000)	0	(70,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(70,000)	70,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	17,704	86,924	104,628
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	180,847	777,377	958,224
Fund Cash Balances, December 31	<hr/> \$198,551	<hr/> \$864,301	<hr/> \$1,062,852
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$5,201	\$1,680	\$6,881

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

**PATASKALA PUBLIC LIBRARY
LICKING 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	\$605,155	\$0	\$605,155
Patron Fines and Fees	12,882	0	12,882
Earnings on Investments	4,568	36,960	41,528
Contributions, Gifts and Donations	960	0	960
Miscellaneous Receipts	223	0	223
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	623,788	36,960	660,748
Cash Disbursements:			
Current:			
Salaries and Benefits	311,194	0	311,194
Supplies	20,227	0	20,227
Purchased and Contracted Services	34,432	1,700	36,132
Library Materials and Information	129,711	0	129,711
Other Objects	2,232	0	2,232
Capital Outlay	18,867	0	18,867
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	516,663	1,700	518,363
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	107,125	35,260	142,385
Other Financing Receipts/(Disbursements):			
Transfers-In	0	92,280	92,280
Transfers-Out	(92,280)	0	(92,280)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(92,280)	92,280	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	14,845	127,540	142,385
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	166,002	649,837	815,839
Fund Cash Balances, December 31	<hr/> \$180,847	<hr/> \$777,377	<hr/> \$958,224
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$44,234	\$10,100	\$54,334

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

**PATASKALA PUBLIC LIBRARY
LICKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pataskala Public Library, Licking 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 7-member Board of Trustees appointed by the Southwest Licking School Board. 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. Mutual funds are recorded at share values reported by the mutual fund.

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 Projects 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 projects fund:

Building Fund - Receives receipts designated for the construction of a new library building. This fund received general fund transfers designated for this purpose.

**PATASKALA PUBLIC LIBRARY
LICKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

2. 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.

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:

**PATASKALA PUBLIC LIBRARY
LICKING 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	\$55,946	\$84,378
Certificates of deposit	<u>366,737</u>	<u>337,414</u>
Total deposits	<u>422,683</u>	<u>421,792</u>
STAR Ohio	<u>640,169</u>	<u>536,432</u>
Total investments	<u>640,169</u>	<u>536,432</u>
Total deposits and investments	<u><u>\$1,062,852</u></u>	<u><u>\$958,224</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.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$638,482	\$675,819	\$37,337
Capital Projects	<u>33,500</u>	<u>120,695</u>	<u>87,195</u>
Total	<u><u>\$671,982</u></u>	<u><u>\$796,514</u></u>	<u><u>\$124,532</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$757,627	\$663,316	\$94,311
Capital Projects	<u>131,300</u>	<u>35,451</u>	<u>95,849</u>
Total	<u><u>\$888,927</u></u>	<u><u>\$698,767</u></u>	<u><u>\$190,160</u></u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$593,139	\$623,788	\$30,649
Capital Projects	<u>124,435</u>	<u>129,240</u>	<u>4,805</u>
Total	<u><u>\$717,574</u></u>	<u><u>\$753,028</u></u>	<u><u>\$35,454</u></u>

**PATASKALA PUBLIC LIBRARY
LICKING COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$709,097	\$653,177	\$55,920
Capital Projects	130,000	11,800	118,200
Total	\$839,097	\$664,977	\$174,120

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% for 1999 and 10.84% for 2000 of participants' gross salaries. 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
- Vehicles
- Errors and omissions

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



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

Pataskala Public Library
Licking County
101 South Vine Street
Pataskala, Ohio 43062

To the Board of Trustees:

We have audited the accompanying financial statements of the Pataskala Public Library, Licking 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 May 11, 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*.

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.

Pataskala Public Library
Licking County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
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This report is intended 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

May 11, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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PASTAKALA PUBLIC LIBRARY

LICKING 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 31, 2001**