



**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

Sabina Public Library  
Clinton County  
11 E. Elm Street  
Sabina, Ohio 45169

To the Board of Trustees:

We have audited the accompanying financial statements of the Sabina Public Library, Clinton 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 25, 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 the report 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, of the 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 25, 2001

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**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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

	<b>General</b>	<b>Expendable Trust</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Other Government Grant-in-Aid	\$263,691	\$0	\$263,691
Patron Fines and Fees	2,066	0	2,066
Earnings on Investments	8,293	11,895	20,188
Contributions, Gifts and Donations	175	0	175
Miscellaneous Receipts	476	0	476
 Total Cash Receipts	 274,701	 11,895	 286,596
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	107,976	0	107,976
Supplies	4,942	0	4,942
Purchased and Contracted Services	19,764	0	19,764
Library Materials and Information	85,589	0	85,589
Other Objects	688	0	688
Debt Service:			
Redemption of Principal	0	0	0
Capital Outlay	6,092	0	6,092
 Total Cash Disbursements	 225,051	 0	 225,051
 Total Receipts Over/(Under) Disbursements	 49,650	 11,895	 61,545
 Fund Cash Balances, January 1	 169,161	 6,136	 175,297
 <b>Fund Cash Balances, December 31</b>	 <b>\$218,811</b>	 <b>\$18,031</b>	 <b>\$236,842</b>
 Reserve for Encumbrances, December 31	 \$7,152	 \$0	 \$7,152

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

**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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

	<u>General</u>	<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Other Government Grants-in-Aid	\$243,916	\$0	\$243,916
Patron Fines and Fees	1,384	0	1,384
Earnings on Investments	2,255	10,559	12,814
Contributions, Gifts and Donations	100	0	100
Miscellaneous Receipts	726	0	726
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	248,381	10,559	258,940
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	97,261	0	97,261
Supplies	3,417	0	3,417
Purchased and Contracted Services	22,170	0	22,170
Library Materials and Information	39,988	0	39,988
Other Objects	1,144	0	1,144
Debt Service:			
Redemption of Principal	7,000	5,126	12,126
Interest Payments and Other Financing Fees and Costs	0	385	385
Capital Outlay	11,038	0	11,038
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	182,018	5,511	187,529
Total Receipts Over/(Under) Disbursements	66,363	5,048	71,411
Fund Cash Balances, January 1	102,798	1,088	103,886
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$169,161</u></b>	<b><u>\$6,136</u></b>	<b><u>\$175,297</u></b>
Reserve for Encumbrances, December 31	<u>\$2,173</u>	<u>\$0</u>	<u>\$2,173</u>

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



**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Sabina Public Library, Clinton 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 seven-member Board of Trustees appointed by the East Clinton school board, the Library board members can only make recommendations. 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 Deposits**

The Clerk-Treasurer deposits all available funds of the Library. Library funds are deposited into a Super NOW account and Certificates of deposit at a local commercial bank. Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and deposits 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. Fiduciary Fund (Expendable Trust Fund)**

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

Parrett Trust Fund - Established from the last will and testament of Margaret P. Parrett. National Bank and Trust was named trustee to manage, invest, and reinvest the trust estate. Under the terms of the trust, only the income from the trust is to be paid quarterly to the Library to be utilized for the general operation, maintenance and improvement of the Library. Amounts paid from the bank to the Library are recorded in an expendable trust fund. The Library has no control over the investment of this money, and the corpus of the trust is not reflected in the accompanying financial statements.

**SABINA PUBLIC LIBRARY  
CLINTON 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 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 DEPOSITS**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$184,713	\$125,297
Certificates of deposit	<u>52,129</u>	<u>50,000</u>
Total deposits	<u><u>\$236,842</u></u>	<u><u>\$175,297</u></u>

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

**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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

**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	\$253,077	\$274,701	\$21,624
Trust	11,500	11,895	395
Total	\$264,577	\$286,596	\$22,019

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$287,600	\$232,203	\$55,397
Trust	0	0	0
Total	\$287,600	\$232,203	\$55,397

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$249,616	\$248,381	(\$1,235)
Trust	11,500	10,559	(941)
Total	\$261,116	\$258,940	(\$2,176)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$214,276	\$184,191	\$30,085
Trust	6,000	5,511	489
Total	\$220,276	\$189,702	\$30,574

**4. OTHER GOVERNMENTAL 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.

**SABINA PUBLIC LIBRARY  
CLINTON COUNTY**

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

**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 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



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

Sabina Public Library  
Clinton County  
11 E. Elm Street  
Sabina, Ohio 45169

To the Board of Trustees:

We have audited the accompanying financial statements of the Sabina Public Library, Clinton County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 25, 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 certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated June 25, 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 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 June 25, 2001.

Sabina Public Library  
Clinton County  
Report 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 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 25, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SABINA PUBLIC LIBRARY**

**CLINTON 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 26, 2001**