



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

---

**STATE OF OHIO**



**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Ada Public School District Library  
Hardin County  
320 North Main Street  
Ada, Ohio 45810

To the Board of Trustees:

We have audited the accompanying financial statements of the Ada Public School District Library, Hardin County (the "Library"), as of and for the years ended December 31, 2001 and 2000. 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 accounting principles generally accepted in the United States of America.

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, 2001 and 2000, 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 April 26, 2002 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

April 26, 2002

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Other Government Grants-In-Aid	\$324,103				\$324,103
Patron Fines and Fees	2,642	227			2,869
Earnings on Investments	6,957	487	27,531	6,306	41,281
Contributions, Gifts and Donations	758			28,714	29,472
Miscellaneous Receipts	347				347
<b>Total Cash Receipts</b>	<b>334,807</b>	<b>714</b>	<b>27,531</b>	<b>35,020</b>	<b>398,072</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	105,253				105,253
Supplies	6,124	137		776	7,037
Purchased and Contracted Services	32,891				32,891
Library Materials and Information	29,805			4,081	33,886
Other Objects	1,098				1,098
Capital Outlay	2,035	150		280	2,465
<b>Total Cash Disbursements</b>	<b>177,206</b>	<b>287</b>	<b>0</b>	<b>5,137</b>	<b>182,630</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>157,601</b>	<b>427</b>	<b>27,531</b>	<b>29,883</b>	<b>215,442</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sales of Property	437				437
Transfers-In		200	120,200	600	121,000
Transfers-Out	(121,000)				(121,000)
Other Financing Uses				(394)	(394)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(120,563)</b>	<b>200</b>	<b>120,200</b>	<b>206</b>	<b>43</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>37,038</b>	<b>627</b>	<b>147,731</b>	<b>30,089</b>	<b>215,485</b>
<b>Fund Cash Balances, January 1</b>	<b>90,364</b>	<b>11,773</b>	<b>580,834</b>	<b>140,273</b>	<b>823,244</b>
<b>Fund Cash Balances, December 31</b>	<b>\$127,402</b>	<b>\$12,400</b>	<b>\$728,565</b>	<b>\$170,362</b>	<b>\$1,038,729</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$4,250</b>	<b>\$75</b>	<b>\$0</b>	<b>\$651</b>	<b>\$4,976</b>

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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - NON EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Operating Cash Receipts:</b>	
Earnings on Investments	\$5,290
<b>Operating Cash Disbursements</b>	<u>0</u>
<b>Cash Receipts Over Cash Disbursements</b>	5,290
Fund Cash Balances, January 1	<u>109,136</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$114,426</u></u>

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



**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Other Government Grants-In-Aid	\$317,241				\$317,241
Patron Fines and Fees	2,501	53			2,554
Earnings on Investments	7,840	713	28,004	7,802	44,359
Contributions, Gifts and Donations	629	15		3,072	3,716
Miscellaneous Receipts	246	72			318
<b>Total Cash Receipts</b>	<u>328,457</u>	<u>853</u>	<u>28,004</u>	<u>10,874</u>	<u>368,188</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	101,615				101,615
Supplies	7,393			56	7,449
Purchased and Contracted Services	31,504				31,504
Library Materials and Information	24,100	120		3,300	27,520
Other Objects	1,046				1,046
Capital Outlay	13,073		6,310		19,383
<b>Total Cash Disbursements</b>	<u>178,731</u>	<u>120</u>	<u>6,310</u>	<u>3,356</u>	<u>188,517</u>
<b>Total Cash Receipts Over Cash Disbursements</b>	<u>149,726</u>	<u>733</u>	<u>21,694</u>	<u>7,518</u>	<u>179,671</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sales of Property	508				508
Transfers-In			125,700		125,700
Transfers-Out	(125,700)				(125,700)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(125,192)</u>		<u>125,700</u>		<u>508</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>24,534</u>	<u>733</u>	<u>147,394</u>	<u>7,518</u>	<u>180,179</u>
<b>Fund Cash Balances, January 1</b>	<u>65,830</u>	<u>11,040</u>	<u>433,440</u>	<u>132,755</u>	<u>643,065</u>
<b>Fund Cash Balances, December 31</b>	<u>\$90,364</u>	<u>\$11,773</u>	<u>\$580,834</u>	<u>\$140,273</u>	<u>\$823,244</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$7,312</u>	<u>\$40</u>	<u>\$0</u>	<u>\$606</u>	<u>\$7,958</u>

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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

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

<b>Operating Cash Receipts:</b>	
Earnings on Investments	\$6,531
<b>Operating Cash Disbursements</b>	<u>          0</u>
<b>Cash Receipts Over Cash Disbursements</b>	6,531
Fund Cash Balances, January 1	<u>102,605</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$109,136</u></u>

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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Ada Public School District Library, Hardin 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Ada School District for a term of seven years. 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**

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. Common stock is recorded at the estimated value at the time of donation.

**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 Special Revenue Fund:

**Historical Preservation Fund** – This fund receives donations and copy receipts for maintaining a historical section in the Library.

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**3. 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 trust funds). The Library had the following Capital Project Fund:

**Permanent Improvement Fund** – Received proceeds transferred from the General Fund. The proceeds were used for major building improvements.

**4. 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. Other trust funds are classified as expendable. The Library's fiduciary funds include the following:

**Expendable Trust Funds**

**A.S. Trust Fund** – Receives donations for the purchase of books, reference materials, and supplies.

**A.S. Youth Fund** – Receives donations for purchases to benefit youth.

**Memorial Donation Fund** – Receives donations for the purchase of books.

**A. Stambaugh Fund** – Receives donations for the purchase of books, reference materials, and supplies.

**Nonexpendable Trust Funds**

**Lacey Memorial Trust Fund** – Receives donations for the purchase of books.

**Henning Memorial Trust Fund** – Receives donations for the maintenance of the Library.

**E. Budgetary Process**

The Ohio Administrative Code requires budgeting for each fund annually.

**1. Appropriations**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances may not exceed appropriations at the fund, function, and object level of control.

**2. Estimated Resources**

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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 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. Accumulated 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:

	2001	2000
Demand deposits	\$604,017	\$312,526
Certificates of deposit	205,965	368,853
Total deposits	809,982	681,379
STAR Ohio	341,556	249,384
Common stock - CMS Energy Corporation	1,562	1,562
Total investments	343,118	250,946
Petty Cash	55	55
Total deposits and investments	\$1,153,155	\$932,380

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

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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$345,079	\$335,244	(\$9,835)
Special Revenue	1,010	914	(96)
Capital Projects	126,700	147,731	21,031
Expendable Trust	24,180	35,620	11,440
Nonexpendable Trust	6,750	5,290	(1,460)
Total	<u>\$503,719</u>	<u>\$524,799</u>	<u>\$21,080</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$413,731	\$302,456	\$111,275
Special Revenue	34,335	362	33,973
Capital Projects	679,942		679,942
Expendable Trust	19,948	6,182	13,766
Nonexpendable Trust	57,312		57,312
Total	<u>\$1,205,268</u>	<u>\$309,000</u>	<u>\$896,268</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$316,888	\$328,965	\$12,077
Special Revenue	1,075	853	(222)
Capital Projects	46,596	153,704	107,108
Expendable Trust	17,277	10,874	(6,403)
Fiduciary	5,600	6,531	931
Total	<u>\$387,436</u>	<u>\$500,927</u>	<u>\$113,491</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$368,319	\$311,743	\$56,576
Special Revenue	6,115	160	5,955
Capital Projects	480,036	6,310	473,726
Expendable Trust	89,113	3,962	85,151
Nonexpendable Trust	49,630		49,630
Total	<u>\$993,213</u>	<u>\$322,175</u>	<u>\$671,038</u>

**ADA PUBLIC SCHOOL DISTRICT LIBRARY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**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 based on of any additional revenues the Library receives.

**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 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 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions
- Public employees dishonesty
- Inland Marine

The Library also provides group health plan coverage to all employees whose normal work week consists of 25 hours or more.

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OFFICE OF THE AUDITOR**

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

Ada Public School District Library  
Hardin County  
320 North Main Street  
Ada, Ohio 45810

To the Board of Trustees:

We have audited the accompanying financial statements of the Ada Public School District Library, Hardin County, (the "Library") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 26, 2002. 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 management of the Library in a separate letter dated April 26, 2002.

**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.

Ada Public School District Library  
Hardin County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

April 26, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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**ADA PUBLIC SCHOOL DISTRICT LIBRARY**

**HARDIN 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  
JUNE 18, 2002**