



**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Clark County Public Library
Clark County
201 South Fountain Ave.
P.O. Box 1080
Springfield, OH 45501-1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library (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 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, 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 3, 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 Long-Range Planning 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

April 3, 2002

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$5,366,162	\$454,345			\$5,820,507
Patron Fines and Fees	91,780				91,780
Earnings on Investments	469,623		\$815	\$446	470,884
Services Provided to Other Entities	2,317				2,317
Contributions, Gifts and Donations	16,157				16,157
Miscellaneous Receipts	222,684				222,684
Total Cash Receipts	<u>6,168,723</u>	<u>454,345</u>	<u>815</u>	<u>446</u>	<u>6,624,329</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	2,441,676				2,441,676
Purchased and Contracted Services	1,078,287	7,628			1,085,915
Library Materials & Info	765,581				765,581
Supplies	71,795				71,795
Other Objects	4,924				4,924
Debt Service:					
Redemption of Principal		220,000			220,000
Interest Payments and Other Financing Fees and Costs		86,250			86,250
Capital Outlay	80,433		586,704		667,137
Total Cash Disbursements	<u>4,442,696</u>	<u>313,878</u>	<u>586,704</u>		<u>5,343,278</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,726,027</u>	<u>140,467</u>	<u>(585,889)</u>	<u>446</u>	<u>1,281,051</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	8,763				8,763
Transfers-In			900,000		900,000
Transfers-Out	(900,000)				(900,000)
Total Other Financing Receipts/(Disbursements)	<u>(891,237)</u>		<u>900,000</u>		<u>8,763</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	834,790	140,467	314,111	446	1,289,814
Fund Cash Balances, January 1	4,701,083	505,473	4,824,514	18,149	10,049,219
Fund Cash Balances, December 31	<u>\$5,535,873</u>	<u>\$645,940</u>	<u>\$5,138,625</u>	<u>\$18,595</u>	<u>\$11,339,033</u>
Reserves for Encumbrances, December 31	\$5,338,620	\$0	\$2,772,365	\$0	\$8,110,985

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

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUSTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	<u>\$91</u>
Total Non-Operating Cash Receipts	<u>91</u>
Fund Cash Balances, January 1	<u>3,150</u>
Fund Cash Balances, December 31	<u><u>\$3,241</u></u>
Reserves for Encumbrances, December 31	<u><u>\$0</u></u>

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

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
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>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$5,390,611	\$440,604			\$5,831,215
Patron Fines and Fees	84,792				84,792
Earnings on Investments	566,447			\$307	566,754
Services Provided to Other Entities	2,517				2,517
Contributions, Gifts and Donations	1,391				1,391
Miscellaneous Receipts	85,434				85,434
Total Cash Receipts	<u>6,131,192</u>	<u>440,604</u>		<u>307</u>	<u>6,572,103</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	2,262,404				2,262,404
Purchased and Contracted Services	847,946	7,237			855,183
Library Materials & Info	772,147				772,147
Supplies	121,697				121,697
Other Objects	16,690				16,690
Debt Service:					
Redemption of Principal		220,000			220,000
Interest Payments and Other Financing Fees and Costs		100,000			100,000
Capital Outlay	413,170		\$99,668		512,838
Total Cash Disbursements	<u>4,434,054</u>	<u>327,237</u>	<u>99,668</u>		<u>4,860,959</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,697,138</u>	<u>113,367</u>	<u>(99,668)</u>	<u>307</u>	<u>1,711,144</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	14,175				14,175
Transfers-In			900,000		900,000
Transfers-Out	(900,000)				(900,000)
Total Other Financing Receipts/(Disbursements)	<u>(885,825)</u>		<u>900,000</u>		<u>14,175</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	811,313	113,367	800,332	307	1,725,319
Fund Cash Balances, January 1	<u>3,889,770</u>	<u>392,106</u>	<u>4,024,182</u>	<u>17,842</u>	<u>8,323,900</u>
Fund Cash Balances, December 31	<u>\$4,701,083</u>	<u>\$505,473</u>	<u>\$4,824,514</u>	<u>\$18,149</u>	<u>\$10,049,219</u>
Reserves for Encumbrances, December 31	<u>\$4,476,127</u>	<u>\$0</u>	<u>\$2,734,832</u>	<u>\$0</u>	<u>\$7,210,959</u>

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

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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

	Fiduciary Fund Types
	Nonexpendable Trust
Non-Operating Cash Receipts:	
Earnings on Investments	\$67
Total Non-Operating Cash Receipts	67
Fund Cash Balances, January 1	3,083
Fund Cash Balances, December 31	\$3,150
Reserves for Encumbrances, December 31	\$0

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clark County Public Library, Clark 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 County Commissioners and the Courts. 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.

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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

A debt service fund was established to provide for the financing of the building of the current library.

3. 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). A building and repair fund has been established.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-expendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds: Expendable Trust funds - Bennett Trust Fund and the Hinkle Endowment; Non-Expendable Trust Funds - Trump and Leventhal endowments. These funds were created and exist according to the trust agreements.

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.

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 re-appropriated.

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

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment 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	\$26,232	\$23,977
Certificates of deposit	9,393	8,856
Total deposits	35,625	32,833
Petty Cash	406	406
STAR Ohio	11,306,243	10,019,130
Total deposits and investments	\$11,342,274	\$10,052,369

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

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

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,177,374	\$6,177,486	\$112
Debt Service	454,345	454,345	0
Capital Projects	900,815	900,815	0
Expendable Trust	446	446	0
Nonexpendable Trust	91	91	0
Total	\$7,533,071	\$7,533,183	\$112

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,878,456	\$10,681,316	\$ 197,140
Debt Service	959,819	313,878	645,941
Capital Projects	5,725,329	3,359,069	2,366,260
Expendable Trust	18,595	0	18,595
Nonexpendable Trust	3,242	0	3,242
Total	\$17,585,441	\$14,354,263	\$3,231,178

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,145,274	\$6,145,367	\$93
Debt Service	440,604	440,604	0
Capital Projects	900,000	900,000	0
Expendable Trust	307	307	0
Nonexpendable Trust	67	67	0
Total	<u>\$7,486,252</u>	<u>\$7,486,345</u>	<u>\$93</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,035,044	\$9,810,181	\$224,863
Debt Service	832,711	327,237	505,474
Capital Projects	4,924,182	2,834,500	2,089,682
Expendable Trust	18,149	0	18,149
Nonexpendable Trust	3,150	0	3,150
Total	<u>\$15,813,236</u>	<u>\$12,971,918</u>	<u>\$2,841,318</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 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.

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, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. 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.

Public utilities are also taxed on personal 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.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,160,000	6.25%

The General Obligations Bonds were issued on December 1, 1986 with the original issuance of \$4,335,000 for the purpose of constructing, equipping and furnishing a new main library, acquiring real estate for that library, and making necessary site improvements.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Bonds
2002	\$292,500
2003	278,750
2004	285,000
2005	270,000
2006	255,000
Total	\$1,381,250

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 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 except that 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.

7. RISK MANAGEMENT

The Clark County Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Library also provides health insurance and dental vision and coverage to employees through a private carrier.

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

Clark County Public Library
Clark County
201 South Fountain Ave.
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 3, 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 immaterial instances of noncompliance that we have reported to the management of the Library in a separate letter dated April 3, 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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 3, 2002.

Clark County Public Library
Clark 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 Long-Range Financial Planning Committee, management and 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

April 3, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLARK COUNTY PUBLIC LIBRARY

CLARK 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
APRIL 18, 2002**