



**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Upper Arlington Public Library
Franklin County
2800 Tremont Road
Upper Arlington, Ohio 43221

To the Board of Trustees:

We have audited the accompanying financial statements of the Upper Arlington Public Library, Franklin 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 fund cash balances and reserves for encumbrances of the Upper Arlington Public Library, Franklin County, Ohio, as of December 31, 2000 and December 31, 1999, and its 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 9, 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 audit 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

April 9, 2001

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
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	\$4,324,016	\$0	\$4,324,016
Other Government Grants-In-Aid	113,882	0	113,882
Patron Fines and Fees	166,326	0	166,326
Earnings on Investments	60,540	0	60,540
Contributions, Gifts and Donations	3,421	0	3,421
Miscellaneous Receipts	21,367	0	21,367
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	4,689,552	0	4,689,552
Cash Disbursements:			
Current:			
Salaries and Benefits	2,823,705	0	2,823,705
Supplies	125,223	0	125,223
Purchased and Contracted Services	537,661	8,375	546,036
Library Materials and Information	606,111	0	606,111
Other Objects	10,723	0	10,723
Capital Outlay	360,892	67,056	427,948
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	4,464,315	75,431	4,539,746
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	225,237	(75,431)	149,806
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	147,100	147,100
Transfers-Out	(147,100)	0	(147,100)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(147,100)	147,100	0
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	78,137	71,669	149,806
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2000	604,459	424,570	1,029,029
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31, 2000	<u>\$682,596</u>	<u>\$496,239</u>	<u>\$1,178,835</u>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31, 2000	<u>\$191,641</u>	<u>\$41,295</u>	<u>\$232,936</u>

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

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
Property and Other Local Taxes	\$4,149,734	\$0	\$4,149,734
Other Government Grants-In-Aid	113,560	0	113,560
Patron Fines and Fees	159,400	0	159,400
Earnings on Investments	44,961	0	44,961
Contributions, Gifts and Donations	5,769	0	5,769
Miscellaneous Receipts	8,062	0	8,062
 Total Cash Receipts	 4,481,486	 0	 4,481,486
Cash Disbursements:			
Current:			
Salaries and Benefits	2,666,003	0	2,666,003
Supplies	147,818	0	147,818
Purchased and Contracted Services	522,348	36,446	558,794
Library Materials and Information	629,758	0	629,758
Other Objects	20,916	0	20,916
Capital Outlay	183,488	89,984	273,472
 Total Cash Disbursements	 4,170,331	 126,430	 4,296,761
 Total Cash Receipts Over/(Under) Cash Disbursements	 311,155	 (126,430)	 184,725
Other Financing Receipts/(Disbursements):			
Transfers-In	0	241,000	241,000
Transfers-Out	(241,000)	0	(241,000)
 Total Other Financing Receipts/(Disbursements)	 (241,000)	 241,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 70,155	 114,570	 184,725
 Fund Cash Balances, January 1, 1999	 534,304	 310,000	 844,304
 Fund Cash Balances, December 31, 1999	 \$604,459	 \$424,570	 \$1,029,029
 Reserves for Encumbrances, December 31, 1999	 \$227,753	 \$80,559	 \$308,312

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

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Upper Arlington Public Library, Franklin 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 6-member Board of Trustees appointed by the Mayor of the City of Upper Arlington. The Library provides the community with various educational and literary resources.

The Library is also associated with the Upper Arlington Public Library Foundation (the Foundation). The Library Board of Trustees appoint the governing board of the Foundation, however, the Library Board cannot influence the Foundation's operations nor does the Foundation represent a potential financial benefit nor burden to the Library.

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.

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.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Projects Fund

This fund is 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 and Repair Fund - This fund is used to account for monies set aside for a construction project.

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.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN 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>
Demand deposits	\$178,835	\$229,029
Certificates of deposit	<u>1,000,000</u>	<u>800,000</u>
Total deposits	<u><u>\$1,178,835</u></u>	<u><u>\$1,029,029</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) 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	\$4,639,692	\$4,689,552	\$49,860
Capital Projects	<u>147,100</u>	<u>147,100</u>	<u>0</u>
Total	<u><u>\$4,786,792</u></u>	<u><u>\$4,836,652</u></u>	<u><u>\$49,860</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	\$5,286,353	\$4,803,056	\$483,297
Capital Projects	<u>586,059</u>	<u>116,726</u>	<u>469,333</u>
Total	<u><u>\$5,872,412</u></u>	<u><u>\$4,919,782</u></u>	<u><u>\$952,630</u></u>

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY(Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,497,832	\$4,481,486	(\$16,346)
Capital Projects	241,000	241,000	0
Total	<u>\$4,738,832</u>	<u>\$4,722,486</u>	<u>(\$16,346)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,053,530	\$4,639,084	\$414,446
Capital Projects	551,000	206,989	344,011
Total	<u>\$5,604,530</u>	<u>\$4,846,073</u>	<u>\$758,457</u>

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.

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.

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.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN 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% 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 insurance and dental 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**

Upper Arlington Public Library
Franklin County
2800 Tremont Road
Upper Arlington, Ohio 43221

To the Board of Trustees:

We have audited the accompanying financial statements of the Upper Arlington Public Library, Franklin 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 April 9, 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.

Upper Arlington Public Library
Franklin 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, 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

April 9, 2001



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OFFICE OF THE AUDITOR

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UPPER ARLINGTON PUBLIC LIBRARY

FRANKLIN 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 1, 2001**