



**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Ada Public School District Library
Hardin County
320 North Main Street
Ada, Ohio 45810-1112

To the Board of Trustees:

We have audited the accompanying financial statements of the Ada Public School District Library, Hardin County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 Ada Public School District Library as of December 31, 1999 and 1998, 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 July 17, 2000 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.

This report is intended solely for the information and use of 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 17, 2000

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**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN 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, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$294,292	\$0	\$0	\$0	\$294,292
Patron Fines and Fees	2,863	123	0	0	2,986
Earnings on Investments	8,328	447	14,352	4,394	27,521
Contributions, Gifts and Donations	737	0	0	18,521	19,258
Miscellaneous Receipts	28	72	0	0	100
Total Cash Receipts	306,248	642	14,352	22,915	344,157
Cash Disbursements:					
Current:					
Salaries and Benefits	91,539	0	0	0	91,539
Supplies	6,466	282	0	463	7,211
Purchased and Contracted Services	22,522	0	0	0	22,522
Library Materials and Information	28,124	280	0	4,769	33,173
Other Objects	1,915	0	0	0	1,915
Capital Outlay	4,913	1,623	5,491	490	12,517
Total Cash Disbursements	155,479	2,185	5,491	5,722	168,877
Total Cash Receipts Over/(Under) Cash Disbursements	150,769	(1,543)	8,861	17,193	175,280
Other Financing Receipts/(Disbursements):					
Sale of Surplus Property	456	0	0	0	456
Transfers-In	0	425	159,458	1,932	161,815
Transfers-Out	(161,815)	0	0	0	(161,815)
Total Other Financing Receipts/(Disbursements)	(161,359)	425	159,458	1,932	456
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(10,590)	(1,118)	168,319	19,125	175,736
Fund cash balances, January 1	76,420	12,158	265,121	111,758	465,457
Fund cash balances, December 31	\$65,830	\$11,040	\$433,440	\$130,883	\$641,193
Reserves for Encumbrances, December 31	\$15,266	\$0	\$3,729	\$402	\$19,397

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, 1999**

Operating Cash Receipts:	
Earnings on Investments	\$4,815
Operating Cash Disbursements:	<u>0</u>
Net Income	4,815
Fund cash balances, January 1, 1999	<u>97,789</u>
Fund cash balances, December 31, 1999	<u><u>\$102,604</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

**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN 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, 1998**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$267,225	\$0	\$0	\$0	\$267,225
Patron Fines and Fees	2,934	91	0	0	3,025
Earnings on Investments	21,302	0	0	0	21,302
Contributions, Gifts and Donations	738	12	0	16,713	17,463
Miscellaneous Receipts	2,172	132	0	0	2,304
Total Cash Receipts	294,371	235	0	16,713	311,319
Cash Disbursements:					
Current:					
Salaries and Benefits	87,363	0	0	0	87,363
Supplies	5,521	174	0	556	6,251
Purchased and Contracted Services	29,595	0	0	0	29,595
Library Materials and Information	20,161	479	0	6,159	26,799
Other Objects	2,617	0	0	0	2,617
Capital Outlay	15,542	6,533	2,250	0	24,325
Total Cash Disbursements	160,799	7,186	2,250	6,715	176,950
Total Cash Receipts Over/(Under) Cash Disbursements	133,572	(6,951)	(2,250)	9,998	134,369
Other Financing Receipts/(Disbursements):					
Sale of Surplus Property	441	0	0	0	441
Transfers-In	0	1,140	109,200	5,800	116,140
Transfers-Out	(116,140)	0	0	0	(116,140)
Total Other Financing Receipts/(Disbursements)	(115,699)	1,140	109,200	5,800	441
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	17,873	(5,811)	106,950	15,798	134,810
Fund cash balances, January 1	58,547	17,969	158,171	95,960	330,647
Fund cash balances, December 31	\$76,420	\$12,158	\$265,121	\$111,758	\$465,457
Reserves for Encumbrances, December 31	\$3,551	\$0	\$0	\$335	\$3,886

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, 1998**

Operating Cash Receipts:	
Earnings on Investments	\$5,580
Operating Cash Disbursements:	
Current:	
Library Materials and Information	<u>245</u>
Operating Income/(Loss)	<u>5,335</u>
Fund cash balances, January 1, 1998	<u>92,454</u>
Fund cash balances, December 31, 1998	<u><u>\$97,789</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.

**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN COUNTY7**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The 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 the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Ada Public 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

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. Special Revenue Fund

This fund is 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, 1999 AND 1998
(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 enterprise or trust funds). The Library had the following significant 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 had the following significant fiduciary funds:

Expendable Trust Fund

A.S. Trust Fund - Receives donations for the purchase of books, reference material, and supplies.

A.S. Youth Trust Fund - Receives donations for purchases to benefit youth.

Memorial Donation Fund - Receives donations for the purchase of books.

Nonexpendable Trust Fund

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

Henning Memorial Fund - Receives donations for the maintenance of the Library

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, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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, 1999 AND 1998
(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.

A summary of 1999 and 1998 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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$55,112	\$42,019
Savings	454,321	193,675
Certificates of deposit	_____	173,353
Total deposits	454,321	409,047
STAR Ohio	234,364	154,199
Total investments	234,364	154,199
Total deposits and investments	\$688,685	\$563,246

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio 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, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$315,133	\$306,704	(\$8,429)
Special Revenue	1,261	1,067	(194)
Capital Projects	173,809	173,810	1
Expendable Trusts	25,378	24,847	(531)
Non Expendable Trusts	5,540	4,815	(725)
Total	\$521,121	\$511,243	(\$9,878)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$359,111	\$332,560	\$26,551
Special Revenue	7,182	2,185	4,997
Capital Projects	279,121	9,220	269,901
Expendable Trusts	75,821	6,124	69,697
Non Expendable Trusts	44,719	0	44,719
Total	\$765,954	\$350,089	\$415,865

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$253,097	\$294,812	\$41,715
Special Revenue	100	1,375	1,275
Capital Projects	26,594	109,200	82,606
Expendable Trusts	16,650	22,513	5,863
Non Expendable Trusts	5,950	5,580	(370)
Total	\$302,391	\$433,480	\$131,089

**ADA PUBLIC SCHOOL DISTRICT LIBRARY
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$297,244	\$280,490	\$16,754
Special Revenue	12,069	7,186	4,883
Capital Projects	184,765	2,250	182,515
Expendable Trusts	60,312	7,050	53,262
Non Expendable Trusts	39,830	245	39,585
Total	\$594,220	\$297,221	\$296,999

4. GRANTS-IN-AID 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 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% of participants' gross salaries. The Library has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- 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
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

**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 45810-1112

To the Board of Trustees:

We have audited the accompanying financial statements of the Ada Public School District Library, Hardin County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 17, 2000. 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 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 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 July 17, 2000.

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 for the information and use of management and the 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", with a large, stylized loop at the end.

JIM PETRO
Auditor of State

July 17, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
AUGUST 22, 2000**