



**TIFFIN-SENECA PUBLIC LIBRARY
SENECA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
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	4
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund – For the Year Ended December 31, 1999	7
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	8
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund – For the Year Ended December 31, 1998	10
Notes to the Financial Statements	11
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	17

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REPORT OF INDEPENDENT ACCOUNTANTS

Tiffin-Seneca Public Library
Seneca County
77 Jefferson Street
Tiffin, Ohio 44883-2399

To the Board of Trustees:

We have audited the accompanying financial statements of the Tiffin-Seneca Public Library, Seneca 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 provide 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 of the 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 March 23, 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 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.

Jim Petro
Auditor of State

March 23, 2000

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**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	
	General	Special Revenue
Cash Receipts:		
State Income Taxes	\$ 1,176,182	\$ 0
Intergovernmental Receipts		1,770
Patron Fines and Fees	53,497	
Earnings on Investments	81,205	
Contributions, Gifts and Donations	17,271	
Miscellaneous Receipts	4,150	
	<u>1,332,305</u>	<u>1,770</u>
Total Cash Receipts	<u>1,332,305</u>	<u>1,770</u>
Cash Disbursements:		
Current:		
Salaries and Benefits	676,267	
Supplies	20,663	
Purchased and Contracted Services	80,497	1,770
Library Materials and Information	248,360	
Other Objects	14,158	
Capital Outlay	20,442	
	<u>1,060,387</u>	<u>1,770</u>
Total Cash Disbursements	<u>1,060,387</u>	<u>1,770</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>271,918</u>	<u>0</u>
Other Financing Receipts/(Disbursements):		
Transfers-In		
Transfers-Out	(168,287)	
	<u>(168,287)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(168,287)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>103,631</u>	<u>0</u>
Fund Cash Balances, January 1	<u>218,242</u>	<u>0</u>
Fund Cash Balances, December 31	<u>\$ 321,873</u>	<u>\$ 0</u>

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

<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$ 0	\$ 0	\$ 1,176,182
		1,770
		53,497
		81,205
		17,271
		4,150
<u>0</u>	<u>0</u>	<u>1,334,075</u>
		676,267
		20,663
		82,267
		248,360
		14,158
<u>24,557</u>		<u>44,999</u>
<u>24,557</u>	<u>0</u>	<u>1,086,714</u>
<u>(24,557)</u>	<u>0</u>	<u>247,361</u>
<u>156,217</u>	<u>9,954</u>	<u>166,171</u>
		<u>(168,287)</u>
<u>156,217</u>	<u>9,954</u>	<u>(2,116)</u>
131,660	9,954	245,245
<u>898,449</u>	<u>227,076</u>	<u>1,343,767</u>
<u>\$ 1,030,109</u>	<u>\$ 237,030</u>	<u>\$ 1,589,012</u>

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

	Nonexpendable Trust
Operating Cash Receipts:	
Contributions and Gifts	\$ 2,030
Transfers-In	2,116
Net Receipts Over Disbursements	4,146
Fund Cash Balances, January 1	34,828
Fund Cash Balances, December 31	\$ 38,974

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

**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	
	General	Capital Projects
Cash Receipts:		
State Income Tax	\$ 1,082,322	\$ 0
Patron Fines and Fees	53,143	
Earnings on Investments	140,722	
Contributions, Gifts and Donations	13,891	500
Miscellaneous Receipts	5,182	
Total Cash Receipts	1,295,260	500
Cash Disbursements:		
Current:		
Salaries and Benefits	618,550	
Supplies	21,020	
Purchased and Contracted Services	82,526	
Library Materials and Information	280,628	
Other Objects	11,395	
Capital Outlay	10,989	188,188
Total Cash Disbursements	1,025,108	188,188
Total Cash Receipts Over/(Under) Cash Disbursements	270,152	(187,688)
Other Financing Receipts/(Disbursements):		
Transfers-In		175,549
Transfers-Out	(230,900)	
Total Other Financing Receipts/(Disbursements)	(230,900)	175,549
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	39,252	(12,139)
Fund Cash Balances, January 1	178,990	910,588
Fund Cash Balances, December 31	\$ 218,242	\$ 898,449

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
\$ 0	\$ 1,082,322
	53,143
	140,722
	14,391
	5,182
<u>0</u>	<u>1,295,760</u>
	618,550
	21,020
	82,526
	280,628
	11,395
	199,177
<u>0</u>	<u>1,213,296</u>
<u>0</u>	<u>82,464</u>
53,330	228,879
	(230,900)
<u>53,330</u>	<u>(2,021)</u>
53,330	80,443
<u>173,746</u>	<u>1,263,324</u>
<u>\$ 227,076</u>	<u>\$ 1,343,767</u>

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Nonexpendable Trust
Operating Cash Receipts:	
Contributions and Gifts	\$ 85
Transfers-In	2,021
Net Receipts Over Disbursements	2,106
Fund Cash Balances, January 1	32,722
Fund Cash Balances, December 31	\$ 34,828

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Tiffin-Seneca Public Library, Seneca 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 Seneca County Commissioners and Judges of the Court of Common Pleas. 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

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.

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 significant Special Revenue Fund:

Telecommunications Grant is used to record the savings on the telephone bill received from this grant.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project 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 project fund:

Building Fund is used to record expenditures for capital improvements to the Library.

4. Fiduciary Fund (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 fund:

Genealogy Fund receives donations for genealogy research. Only the interest is expendable.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 27,327	\$ 66,936
Certificates of deposit	<u>1,600,659</u>	<u>1,311,659</u>
Total deposits	<u>\$ 1,627,986</u>	<u>\$ 1,378,595</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,413,404	\$ 1,332,305	\$ (81,099)
Special Revenue	0	1,770	1,770
Capital Projects	37,000	156,217	119,217
Fiduciary	<u>11,700</u>	<u>14,100</u>	<u>2,400</u>
Total	<u>\$ 1,462,104</u>	<u>\$ 1,504,392</u>	<u>\$ 42,288</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,437,069	\$ 1,228,674	\$ 208,395
Special Revenue	1,770	1,770	0
Capital Projects	740,000	24,557	715,443
Fiduciary	<u>205,000</u>	<u>0</u>	<u>205,000</u>
Total	<u>\$ 2,383,839</u>	<u>\$ 1,255,001</u>	<u>\$ 1,128,838</u>

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,187,775	\$ 1,295,260	\$ 107,485
Capital Projects	32,000	176,049	144,049
Fiduciary	10,220	55,436	45,216
Total	\$ 1,229,995	\$ 1,526,745	\$ 296,750

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,271,773	\$ 1,256,008	\$ 15,765
Capital Projects	849,000	188,188	660,812
Fiduciary	202,000	0	202,000
Total	\$ 2,322,773	\$ 1,444,196	\$ 878,577

4. 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 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.

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

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

Tiffin-Seneca Public Library
Seneca County
77 Jefferson Street
Tiffin, Ohio 44883-2399

To the Board of Trustees:

We have audited the accompanying financial statements of the Tiffin-Seneca Public Library, Seneca County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 23, 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 audits 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 March 23, 2000.

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 March 23, 2000.

This report is intended 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.

Jim Petro
Auditor of State

March 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TIFFIN-SENECA PUBLIC LIBRARY

SENECA 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 20, 2000**