



**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Wauseon Exempted School District Library  
Fulton County  
117 East Elm Street  
Wauseon, Ohio 43567-1471

To the Board of Trustees:

We have audited the accompanying financial statements of the Wauseon Exempted School District Library, Fulton County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 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 audits 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 audits 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 audits 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 and reserves for encumbrances of the Library as of December 31, 2000 and 1999, 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 February 20, 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

February 20, 2001

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$396,497			\$396,497
Patron Fines and Fees	12,747			12,747
Earnings on Investments	19,958		\$15,841	35,799
Contributions, Gifts and Donations	3,755			3,755
Miscellaneous Receipts	1,780			1,780
<b>Total Cash Receipts</b>	<u>434,737</u>		<u>15,841</u>	<u>450,578</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	193,389			193,389
Purchased and Contracted Services	71,942			71,942
Supplies	8,101			8,101
Library Materials and Information	70,575	\$97		70,672
Others	5,728			5,728
Capital Outlay	12,728			12,728
<b>Total Cash Disbursements</b>	<u>362,463</u>	<u>97</u>		<u>362,560</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>72,274</u>	<u>(97)</u>	<u>15,841</u>	<u>88,018</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In			50,000	50,000
Transfers-Out	(50,000)			(50,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(50,000)</u>		<u>50,000</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>22,274</u>	<u>(97)</u>	<u>65,841</u>	<u>88,018</u>
<b>Fund Cash Balances, January 1</b>	<u>206,478</u>	<u>97</u>	<u>353,818</u>	<u>560,393</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$228,752</u></u>		<u><u>\$419,659</u></u>	<u><u>\$648,411</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$9,581</u></u>			<u><u>\$9,581</u></u>

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

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$359,194			\$359,194
Patron Fines and Fees	12,288			12,288
Earnings on Investments	27,352			27,352
Contributions, Gifts and Donations	341	\$50		391
Miscellaneous Receipts	1,383			1,383
<b>Total Cash Receipts</b>	<u>400,558</u>	<u>50</u>		<u>400,608</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	174,561			174,561
Purchased and Contracted Services	80,720			80,720
Supplies	8,130			8,130
Library Materials and Information	61,403	1,069		62,472
Other Objects	6,405			6,405
Capital Outlay	21,328			21,328
<b>Total Cash Disbursements</b>	<u>352,547</u>	<u>1,069</u>		<u>353,616</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>48,011</u>	<u>(1,019)</u>		<u>46,992</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In			\$28,714	28,714
Transfers-Out	(28,714)			(28,714)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(28,714)</u>		<u>28,714</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>19,297</u>	<u>(1,019)</u>	<u>28,714</u>	<u>46,992</u>
<b>Fund Cash Balances, January 1</b>	<u>187,181</u>	<u>1,116</u>	<u>325,104</u>	<u>513,401</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$206,478</u></u>	<u><u>\$97</u></u>	<u><u>\$353,818</u></u>	<u><u>\$560,393</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$12,810</u></u>	<u><u>\$86</u></u>		<u><u>\$12,896</u></u>

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



**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wauseon Exempted School District Library, Fulton 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 Wauseon Exempted School District Board of Education. 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**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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 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:

Accelerated Reading Fund - This fund received donations to purchase library materials.

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(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 capital project fund:

Building and Repair Fund - This fund receives funds from general operations and interest earned on investments. These funds are to be used to construct a new library addition and for equipment purchases.

**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.

**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 reappropriated.

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 Sick Leave**

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as a liability under the cash basis of accounting used by the Library.

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON 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	\$56,610	\$11,900
Certificates of deposit	<u>463,174</u>	<u>447,333</u>
Total deposits	519,784	459,233
STAR Ohio	<u>128,582</u>	<u>101,115</u>
Total deposits and investments	<u><u>\$648,366</u></u>	<u><u>\$560,348</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.

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

**Cash on hand:** The Library maintains a \$45 petty cash and change fund.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$403,184	\$434,737	\$31,553
Special Revenue			
Capital Projects	<u>15,400</u>	<u>65,841</u>	<u>50,441</u>
Total	<u><u>\$418,584</u></u>	<u><u>\$500,578</u></u>	<u><u>\$81,994</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$609,663	\$422,044	\$187,619
Special Revenue	97	97	
Capital Projects	<u>369,218</u>	<u>        </u>	<u>369,218</u>
Total	<u><u>\$978,978</u></u>	<u><u>\$422,141</u></u>	<u><u>\$556,837</u></u>

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON 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	\$377,599	\$400,558	\$22,959
Special Revenue	1,630	50	(1,580)
Capital Projects		28,714	28,714
Total	<u>\$379,229</u>	<u>\$429,322</u>	<u>\$50,093</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$564,779	\$394,071	\$170,708
Special Revenue	2,746	1,155	1,591
Capital Projects	325,104		325,104
Total	<u>\$892,629</u>	<u>\$395,226</u>	<u>\$497,403</u>

**4. TAX RECEIPTS**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State Tax Commissioner is responsible for estimating to the county auditor the amount of LLGSF revenue expected for the next calendar year. The State Auditor's office sends the money each month to the county auditor's office who in turn is charged with distributing by the 15<sup>th</sup> of each month the agreed upon allocation of funds to the individual libraries within their jurisdiction. Fulton County Budget Commission utilizes a distribution formula agreed upon by the libraries within the county's jurisdiction. 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. 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.

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON 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% 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:

- Property;
- General liability;
- Auto;
- Inland marine; and
- Errors and omissions.

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

Wauseon Exempted School District Library  
Fulton County  
117 East Elm Street  
Wauseon, Ohio 43567-1471

To the Board of Trustees:

We have audited the accompanying financial statements of the Wauseon Exempted School District Library, Fulton County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 20, 2001. We conducted our audits 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*.

### 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 a matter involving the internal control over financial reporting that did not require inclusion in this report, that we have reported to management of the Library in a separate letter dated February 20, 2001.

Wauseon Exempted School District Library  
Fulton 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 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

February 20, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY**

**FULTON 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  
MARCH 13, 2001**