



**GREENE COUNTY PUBLIC LIBRARY  
GREENE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



GREENE COUNTY PUBLIC LIBRARY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Funds – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Funds – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13

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## REPORT OF INDEPENDENT ACCOUNTANTS

Greene County Public Library  
Greene County  
76 East Market Street  
P. O. Box 520  
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Public Library, Greene 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 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 May 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, and contracts.

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

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

**Jim Petro**  
Auditor of State

May 23, 2000



**GREENE COUNTY PUBLIC LIBRARY  
GREENE 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**

	<b>Governmental Fund Types</b>			<b>Total (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>				
State Income Taxes	\$5,262,072	\$0	\$0	\$5,262,072
Property Taxes	685,521			685,521
Other Governments Grants In Aid	76,875			76,875
Patron Fines & Fees	166,376			166,376
Interest	195,747	132		195,879
Contributions, Gifts and Donations	5,046	5,389	16,606	27,041
Miscellaneous Receipts	297	0	0	297
<b>Total Cash Receipts</b>	<b>6,391,934</b>	<b>5,521</b>	<b>16,606</b>	<b>6,414,061</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries & Benefits	3,232,121			3,232,121
Supplies	117,069		274	117,343
Purchased & Contracted Services	689,294		69,916	759,210
Library Materials	1,166,822	5,122		1,171,944
Capital outlay	40,174		416,888	457,062
Other Objects	12,200	0	0	12,200
<b>Total Cash Disbursements</b>	<b>5,257,680</b>	<b>5,122</b>	<b>487,078</b>	<b>5,749,880</b>
<b>Total receipts over/(under) disbursements</b>	<b>1,134,254</b>	<b>399</b>	<b>(470,472)</b>	<b>664,181</b>
<b>Other financing receipts/(disbursements):</b>				
Sale of Surplus Property	3,341			3,341
Transfers-In			803,372	803,372
Transfers-Out	(803,372)	0	0	(803,372)
<b>Total other financing receipts/(disbursements)</b>	<b>(800,031)</b>	<b>0</b>	<b>803,372</b>	<b>3,341</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursement</b>	<b>334,223</b>	<b>399</b>	<b>332,900</b>	<b>667,522</b>
<b>Fund cash balances, January 1, 1999</b>	<b>1,307,232</b>	<b>28,708</b>	<b>1,748,248</b>	<b>3,084,188</b>
<b>Fund cash balances, December 31, 1999</b>	<b>\$1,641,455</b>	<b>\$29,107</b>	<b>\$2,081,148</b>	<b>\$3,751,710</b>
<b>Reserve for encumbrances, December 31, 1999</b>	<b>\$360,690</b>	<b>\$244</b>	<b>\$106,168</b>	<b>\$467,102</b>

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

**GREENE COUNTY PUBLIC LIBRARY  
GREENE COUNTY**

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

	<u>Non-Expendable Trust</u>
Operating Cash Receipts:	
Interest	\$1,732
Operating Cash Disbursements:	
Library Materials	<u>1,059</u>
Net receipts over/(under) disbursements	673
Fund Cash Balances, January 1, 1999	<u>33,777</u>
<b>Fund Cash Balances, December 31, 1999</b>	<b><u><u>\$34,450</u></u></b>
Reserved for Encumbrances, December 31, 1999	<u><u>\$0</u></u>

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

**GREENE COUNTY PUBLIC LIBRARY  
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
State Income Taxes	\$4,835,991	\$0	\$0	\$4,835,991
Property Taxes	667,005			667,005
Other Governments Grants In Aid	75,411			75,411
Patron Fines & Fees	172,935			172,935
Interest	155,232	134		155,366
Contributions, Gifts and Donations	10,960	12,705		23,665
Miscellaneous Receipts	17,828	0	12	17,840
<b>Total Cash Receipts</b>	<b>5,935,362</b>	<b>12,839</b>	<b>12</b>	<b>5,948,213</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries & Benefits	2,920,179			2,920,179
Supplies	108,707		2,555	111,262
Purchased & Contracted Services	588,992		61,052	650,044
Library Materials	928,810	2,393		931,203
Capital outlay	88,991		268,365	357,356
Other Objects	12,086	0	2,315	14,401
<b>Total Cash Disbursements</b>	<b>4,647,765</b>	<b>2,393</b>	<b>334,287</b>	<b>4,984,445</b>
<b>Total receipts over/(under) disbursements</b>	<b>1,287,597</b>	<b>10,446</b>	<b>(334,275)</b>	<b>963,768</b>
<b>Other financing receipts/(disbursements):</b>				
Sale of Surplus Property	3,238			3,238
Transfers-In			807,115	807,115
Transfers-Out	(807,115)	0	0	(807,115)
<b>Total other financing receipts/(disbursements)</b>	<b>(803,877)</b>	<b>0</b>	<b>807,115</b>	<b>3,238</b>
<b>Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements</b>	<b>483,720</b>	<b>10,446</b>	<b>472,840</b>	<b>967,006</b>
<b>Fund cash balances, January 1, 1998</b>	<b>823,512</b>	<b>18,262</b>	<b>1,275,408</b>	<b>2,117,182</b>
<b>Fund cash balances, December 31, 1998</b>	<b>\$1,307,232</b>	<b>\$28,708</b>	<b>\$1,748,248</b>	<b>\$3,084,188</b>
<b>Reserve for encumbrances, December 31, 1998</b>	<b>\$407,247</b>	<b>\$1,497</b>	<b>\$93,343</b>	<b>\$502,087</b>

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

**GREENE COUNTY PUBLIC LIBRARY  
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Non-Expendable Trust</u>
<b>Operating Cash Receipts:</b>	
Interest	\$1,846
<b>Operating Cash Disbursements:</b>	
Library Materials	<u>454</u>
Net receipts over/(under) disbursements	1,392
Fund Cash Balances, January 1, 1998	<u>32,385</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><u>\$33,777</u></u>
Reserve for encumbrances, December 31, 1998	<u><u>\$527</u></u>

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

**GREENE COUNTY PUBLIC LIBRARY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Greene County Public Library, Greene 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. Three members are appointed by the Judges of the Court of Common Pleas and four by the Board of the County Commissioners. 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, and U.S. Treasury Notes 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 significant Special Revenue Funds:

**Yellow Springs Branch Fund** - This fund received donations from Yellow Spring Library Association for the branch.

GREENE COUNTY PUBLIC LIBRARY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

**Local History Fund** - This fund received donations from Patrons for helping them on their research.

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 funds:

**Building & Repair Fund** - This fund received transfers from the General fund for contracted services and capital outlay.

**Technology Fund** - This fund received transfers from the General Fund for capital expenditures related to technological advances.

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 would be classified as expendable. The Library had the following significant fiduciary fund:

**Steele Fund** - This fund is classified as a nonexpendable trust fund and receives interest earnings for the purchase of books.

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.

**GREENE COUNTY PUBLIC LIBRARY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (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	\$425,547	\$290,484
Certificates of deposit	231,420	26,465
Total deposits	<u>656,967</u>	<u>316,949</u>
Treasury Notes	1,870,256	1,767,634
STAR Ohio	1,258,937	1,033,382
Total investments	<u>3,129,193</u>	<u>2,801,016</u>
Total deposits and investments	<u>\$3,786,160</u>	<u>\$3,117,965</u>

**Deposits:** 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.

**Investments:** U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**GREENE COUNTY PUBLIC LIBRARY**

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

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$6,009,920	\$6,395,275	\$385,355
Special Revenue	0	5,521	5,521
Capital Projects	400,000	819,978	419,978
Fiduciary	0	1,732	1,732
Total	<u>\$6,409,920</u>	<u>\$7,222,506</u>	<u>\$812,586</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$7,317,153	\$6,421,742	\$895,411
Special Revenue	28,709	5,366	23,343
Capital Projects	1,748,248	593,246	1,155,002
Fiduciary	7,310	1,059	6,251
Total	<u>\$9,101,420</u>	<u>\$7,021,413</u>	<u>\$2,080,007</u>

1998 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$5,545,939	\$5,938,600	\$392,661
Special Revenue	0	12,839	12,839
Capital Projects	400,000	807,127	407,127
Fiduciary	0	1,846	1,846
Total	<u>\$5,945,939</u>	<u>\$6,760,412</u>	<u>\$814,473</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$6,238,814	\$5,862,127	\$376,687
Special Revenue	18,262	3,890	14,372
Capital Projects	1,275,407	427,630	847,777
Fiduciary	5,919	981	4,938
Total	<u>\$7,538,402</u>	<u>\$6,294,628</u>	<u>\$1,243,774</u>

**GREENE COUNTY PUBLIC LIBRARY**

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

**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 as a result of any 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.

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.

**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

The Library also provides health insurance and dental and vision 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**

Greene County Public Library  
Greene County  
76 East Market Street  
P. O. Box 520  
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Public Library, Greene County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 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 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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 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 May 23, 2000.

This report is intended for the information and use of the management and 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". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

May 23, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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**GREENE COUNTY PUBLIC LIBRARY**

**GREENE 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  
JULY 13, 2000**