



**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

REGULAR AUDIT

FOR YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Community Library of Big Walnut Local School District
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the accompanying financial statements of the Community Library of Big Walnut Local School District, Delaware County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 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 audits.

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 fund cash balances and reserves for encumbrances of the Community Library of Big Walnut Local School District as of December 31, 1999 and December 31, 1998, 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 June 7, 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

June 7, 2000

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
Grants-In-Aid	\$605,300	\$0	\$605,300
Patron Fines and Fees	15,288	0	15,288
Interest	11,716	13,686	25,402
Contributions, Gifts and Donations	4,926	0	4,926
Miscellaneous	2,659	0	2,659
	639,890	13,686	653,576
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	355,739	0	355,739
Supplies	27,675	0	27,675
Purchased and Contracted Services	87,580	0	87,580
Library Materials and Information	106,913	0	106,913
Other Objects	1,978	0	1,978
Capital Outlay	24,350	0	24,350
	604,236	0	604,236
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	35,654	13,686	49,340
Other Financing Receipts/(Disbursements):			
Transfers-In	6,800	19,587	26,387
Transfers-Out	(19,587)	(6,800)	(26,387)
	(12,787)	12,787	0
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	22,867	26,473	49,340
Fund Cash Balance, January 1, 1999	186,004	185,335	371,339
Fund Cash Balance, December 31, 1999	\$208,870	\$211,808	\$420,679
Reserves for Encumbrances, December 31	\$45,112	\$0	\$45,112

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

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Grants-In-Aid	\$542,773	\$0	\$542,773
Patron Fines and Fees	16,943	0	16,943
Interest	19,689	0	19,689
Contributions, Gifts and Donations	7,088	0	7,088
Miscellaneous	4,541	0	4,541
	<u>591,034</u>	<u>0</u>	<u>591,034</u>
Total Cash Receipts			
	<u>591,034</u>	<u>0</u>	<u>591,034</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	332,323	0	332,323
Supplies	14,960	0	14,960
Purchased and Contracted Services	65,553	0	65,553
Library Materials and Information	75,127	0	75,127
Other Objects	1,688	0	1,688
Capital Outlay	18,992	0	18,992
	<u>508,642</u>	<u>0</u>	<u>508,642</u>
Total Cash Disbursements			
	<u>508,642</u>	<u>0</u>	<u>508,642</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>82,392</u>	<u>0</u>	<u>82,392</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	10,375	10,375
Transfers-Out	<u>(10,375)</u>	<u>0</u>	<u>(10,375)</u>
	<u>(10,375)</u>	<u>10,375</u>	<u>(0)</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(10,375)</u>	<u>10,375</u>	<u>(0)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	72,017	10,375	82,392
Fund Cash Balance, January 1, 1998	<u>113,987</u>	<u>174,960</u>	<u>288,947</u>
Fund Cash Balance, December 31, 1998	<u>\$186,004</u>	<u>\$185,335</u>	<u>\$371,339</u>
Reserves for Encumbrances, December 31	<u>\$41,410</u>	<u>\$0</u>	<u>\$41,410</u>

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

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Community Library of Big Walnut Local School District, Delaware County, Ohio, (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 school district. 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:

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.

Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Capital Projects fund will be used for the acquisition or expansion of Library facilities and land.

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 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 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 Leave

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the 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:

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$108,022	\$79,161
Certificates of deposit	<u>159,721</u>	<u>146,705</u>
Total deposits	<u>267,743</u>	<u>225,866</u>
STAR Ohio	<u>152,936</u>	<u>145,473</u>
Total investments	<u>152,936</u>	<u>145,473</u>
Total deposits and investments	<u><u>\$420,679</u></u>	<u><u>\$371,339</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Library.

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$605,199	\$646,690	\$41,491
Capital Projects	<u>0</u>	<u>33,273</u>	<u>33,273</u>
Total	<u><u>\$605,199</u></u>	<u><u>\$679,963</u></u>	<u><u>\$74,764</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$742,788	\$668,935	\$73,853
Capital Projects	<u>175,418</u>	<u>6,800</u>	<u>168,618</u>
Total	<u><u>\$918,206</u></u>	<u><u>\$675,735</u></u>	<u><u>\$242,471</u></u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$511,219	\$591,034	\$79,815
Capital Projects	<u>0</u>	<u>10,375</u>	<u>10,375</u>
Total	<u><u>\$511,219</u></u>	<u><u>\$601,409</u></u>	<u><u>\$90,190</u></u>

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE 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	\$636,521	\$560,427	\$76,094
Capital Projects	175,418	0	175,418
Total	<u>\$811,939</u>	<u>\$560,427</u>	<u>\$251,512</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.

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 risk:

- Comprehensive property and general liability
- Public official's liability

The Library also provides health insurance to full-time employees through the Anthem Blue Cross Blue Shield, vision insurance to full-time employees through the Vision Service Plan, and employees elect whether to participate in the dental insurance coverage through the CompDent.



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

Community Library of Big Walnut Local School District
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited the financial statements of the Community Library of Big Walnut Local School District, Delaware County, Ohio (the Library), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 7, 2000. 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 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 audits, 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 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 June 7, 2000.

Community Library of Big Walnut Local School District
Delaware County
Report 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 flourish at the end.

JIM PETRO
Auditor of State

June 7, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE 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 18, 2000**