



**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**REGULAR AUDIT**

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



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

---

**STATE OF OHIO**



**GUERNSEY COUNTY DISTRICT 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 – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110

## REPORT OF INDEPENDENT ACCOUNTANTS

Guernsey County District Public Library  
Guernsey County  
800 Steubenville Avenue  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of the Guernsey County District Public Library, Guernsey 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 Guernsey County District Public Library, Guernsey County, 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 1, 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, 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 1, 2000



**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
 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>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Taxes	\$1,457,100		\$1,457,100
Patron Fines and Fees	23,211		23,211
Earnings on Investments	156,269		156,269
Rental of Real Property	19,584		19,584
Contributions, Gifts and Donations	503		503
Miscellaneous Receipts	2,290		2,290
	<hr/>		<hr/>
Total Cash Receipts	1,658,957		1,658,957
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	552,645		552,645
Purchased and Contracted Services	388,918		388,918
Other Objects	16,169		16,169
Capital Outlay	30,839		30,839
	<hr/>		<hr/>
Total Cash Disbursements	988,571		988,571
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	670,386		670,386
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		\$500,000	500,000
Transfers-Out	(500,000)		(500,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(500,000)	500,000	0
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>			
	170,386	500,000	670,386
Fund Cash Balances, January 1	440,620	2,260,192	2,700,812
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$611,006</b>	<b>\$2,760,192</b>	<b>\$3,371,198</b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$31,647	\$0	\$31,647
	<hr/>	<hr/>	<hr/>

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

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Taxes	\$1,319,417		\$1,319,417
Patron Fines and Fees	27,312		27,312
Earnings on Investments	148,092		148,092
Rental of Real Property	18,938		18,938
Contributions, Gifts and Donations	1,901		1,901
Miscellaneous Receipts	2,949		2,949
Total Cash Receipts	<u>1,518,609</u>		<u>1,518,609</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	551,785		551,785
Purchased and Contracted Services	420,514		420,514
Other Objects	9,171		9,171
Capital Outlay	50,857	\$36,115	86,972
Total Cash Disbursements	<u>1,032,327</u>	<u>36,115</u>	<u>1,068,442</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>486,282</u>	<u>(36,115)</u>	<u>450,167</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	1,600		1,600
Transfers-In		350,000	350,000
Transfers-Out	(350,000)		(350,000)
Total Other Financing Receipts/(Disbursements)	<u>(348,400)</u>	<u>350,000</u>	<u>1,600</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	137,882	313,885	451,767
Fund Cash Balances, January 1	<u>302,738</u>	<u>1,946,307</u>	<u>2,249,045</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$440,620</u></b>	<b><u>\$2,260,192</u></b>	<b><u>\$2,700,812</u></b>
Reserves for Encumbrances, December 31	<u>\$31,548</u>	<u>\$0</u>	<u>\$31,548</u>

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



**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Guernsey County District Public Library, Guernsey 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 Guernsey County Common Pleas Judge and the Guernsey 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**

Certificates of deposit are valued at cost. The investment in STAROhio (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. 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 and Repair Fund - This fund receives transfers from the General Fund to be used for building repairs and maintenance of the Library.

Automation Fund - This fund receives transfers from the General Fund to be used to acquire or maintain Library computer systems.

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
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, and function 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 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:

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
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	\$132,852	\$189,791
Certificates of deposit	<u>3,077,256</u>	<u>2,459,345</u>
Total deposits	<u>3,210,108</u>	<u>2,649,136</u>
STAROhio	<u>161,090</u>	<u>51,676</u>
Total investments	<u>161,090</u>	<u>51,676</u>
Total deposits and investments	<u><u>\$3,371,198</u></u>	<u><u>\$2,700,812</u></u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by securities specifically pledged by the financial institution to the Library.

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

**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	\$1,640,083	\$1,658,957	\$18,874
Capital Projects	<u>0</u>	<u>500,000</u>	<u>500,000</u>
Total	<u><u>\$1,640,083</u></u>	<u><u>\$2,158,957</u></u>	<u><u>\$518,874</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,980,548	\$1,520,218	\$460,330
Capital Projects	<u>2,260,100</u>	<u>0</u>	<u>2,260,100</u>
Total	<u><u>\$4,240,648</u></u>	<u><u>\$1,520,218</u></u>	<u><u>\$2,720,430</u></u>

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,508,765	\$1,520,209	\$11,444
Capital Projects	0	350,000	350,000
Total	\$1,508,765	\$1,870,209	\$361,444

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,661,055	\$1,413,875	\$247,180
Capital Projects	1,931,961	36,115	1,895,846
Total	\$3,593,016	\$1,449,990	\$2,143,026

**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.

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**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 to full-time employees through a private carrier.

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110

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

Guernsey County District Public Library  
Guernsey County  
800 Steubenville Avenue  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of the Guernsey County District Public Library, Guernsey County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 1, 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 May 1, 2000.

This report is intended for the information and use of 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 1, 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

**DISTRICT PUBLIC LIBRARY**

**GUERNSEY 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 6, 2000**