



**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Garnet A. Wilson Public Library
Pike County
207 North Market Street
Waverly, Ohio 45690

To the Board of Trustees:

We have audited the accompanying financial statements of the Garnet A. Wilson Public Library, Pike 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 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 Garnet A. Wilson Public Library, Pike County, 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 June 11, 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, 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

June 11, 2001

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**GARNET A. WILSON PUBLIC LIBRARY
PIKE 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$1,018,991	\$	\$1,018,991
Patron Fines and Fees	17,231		17,231
Earnings on Investments	35,585		35,585
Contributions, Gifts and Donations	3,998		3,998
Miscellaneous Receipts	12,086		12,086
	<hr/>		<hr/>
Total Cash Receipts	1,087,891	0	1,087,891
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	477,033		477,033
Supplies	31,253		31,253
Purchased and Contracted Services	92,186		92,186
Library Material and Information	157,329		157,329
Other Objects	4,836		4,836
Capital Outlay	550,328		550,328
	<hr/>		<hr/>
Total Cash Disbursements	1,312,965	0	1,312,965
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(225,074)	0	(225,074)
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In		300,000	300,000
Transfers-Out	(300,000)		(300,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(300,000)	300,000	0
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(525,074)	300,000	(225,074)
	<hr/>		<hr/>
Fund Cash Balances, January 1	675,071	0	675,071
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$149,997	\$300,000	\$449,997
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$29,920	\$0	\$29,920
	<hr/>		<hr/>

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash Receipts:

Property and Other Local Taxes	\$943,734
Patron Fines and Fees	16,722
Earnings on Investments	28,665
Contributions, Gifts and Donations	5,836
Miscellaneous Receipts	<u>308</u>
 Total Cash Receipts	 <u>995,265</u>

Cash Disbursements:

Current:	
Salaries and Benefits	425,112
Supplies	27,671
Purchased and Contracted Services	70,886
Library Material and Information	147,219
Other Objects	3,682
Capital Outlay	<u>176,286</u>

Total Cash Disbursements 850,856

Total Cash Receipts Over/(Under) Cash Disbursements 144,409

Cash Balances, January 1 530,662

Cash Balances, December 31 **\$675,071**

Reserves for Encumbrances, December 31 \$13,703

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

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Garnet A. Wilson Public Library, Pike 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 Pike County Common Pleas Judge. 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 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 Fund

The Capital Project Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects.

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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, 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 Vacation and Sick Leave

Full-time 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:

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>2000</u>	<u>1999</u>
Demand deposits	\$40,169	\$109,570
Certificates of deposit	<u>200,000</u>	<u>100,000</u>
Total deposits	<u>240,169</u>	<u>209,570</u>
STAROhio	<u>209,828</u>	<u>465,501</u>
Total investments	<u>209,828</u>	<u>465,501</u>
Total deposits and investments	<u><u>\$449,997</u></u>	<u><u>\$675,071</u></u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or 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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$981,074	\$1,087,891	\$106,817
Capital Projects	<u>0</u>	<u>300,000</u>	<u>300,000</u>
Total	<u><u>\$981,074</u></u>	<u><u>\$1,387,891</u></u>	<u><u>\$406,817</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$994,777	\$1,642,885	(\$648,108)
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$994,777</u></u>	<u><u>\$1,642,885</u></u>	<u><u>(\$648,108)</u></u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$902,319</u>	<u>\$995,265</u>	<u>\$92,946</u>
Total	<u><u>\$902,319</u></u>	<u><u>\$995,265</u></u>	<u><u>\$92,946</u></u>

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$855,573	\$864,559	(\$8,986)
Total	\$855,573	\$864,559	(\$8,986)

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 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. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of the participants' gross salaries. The Library has paid all contributions required through December 31, 2000.

7. 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.

8. JOINTLY GOVERNED ORGANIZATION

The Ohio Valley Area Libraries (OVAL) is an area Library service organization created and governed according to the provisions of Sections 3375.70 through 3375.73, Revised Code. OVAL is composed of autonomous public Libraries in the Ohio Counties of Athens, Hocking, Jackson, Lawrence, Meigs, Pike, Ross, Scioto and Vinton. OVAL's Board of Trustees consists of the Library Director from each of the member Libraries. The Garnet A. Wilson Public Library's control over budgeting and financing of OVAL is limited to its voting authority and its representation on OVAL's Board of Trustees.

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

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

9. RELATED PARTY TRANSACTION

The Library pays an annual fee as well as service fees to the Ohio Valley Area Libraries (OVAL), a jointly governed organization, of which the Library is a member. The Library paid \$11,937 to OVAL during the period January 1, 1999 through December 31, 2000. The Library paid dues of \$1,723 and fees of \$10,214.

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

Garnet A. Wilson Public Library
Pike County
207 North Market Street
Waverly, Ohio 45690

To the Board of Trustees:

We have audited the accompanying financial statements of the Garnet A. Wilson Public Library, Pike County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 11, 2001. 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 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 does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated June 11, 2001.

Garnet A. Wilson Public Library
Pike County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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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

June 11, 2001



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GARNET A. WILSON PUBLIC LIBRARY

PIKE 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
AUGUST 2, 2001**