



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

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**STATE OF OHIO**



**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Guernsey County District Public Library  
Guernsey County  
128 East 8<sup>th</sup> Street  
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, 2001 and 2000. 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 auditing standards generally accepted in the United States of America 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, 2001 and 2000, 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 July 8, 2002 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.

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

**Jim Petro**  
Auditor of State

July 8, 2002

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**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Taxes	\$1,608,874	\$	\$1,608,874
Patron Fines and Fees	26,335		26,335
Earnings on Investments	279,444		279,444
Rental of Real Property	20,620		20,620
Contributions, Gifts and Donations	35,192		35,192
Miscellaneous Receipts	2,499		2,499
	<hr/>		<hr/>
Total Cash Receipts	1,972,964	0	1,972,964
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	696,489		696,489
Purchased and Contracted Services	421,639		421,639
Other Objects	10,699		10,699
Capital Outlay	27,516	29,511	57,027
	<hr/>		<hr/>
Total Cash Disbursements	1,156,343	29,511	1,185,854
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	816,621	(29,511)	787,110
	<hr/>		<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		750,000	750,000
Transfers-Out	(750,000)		(750,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(750,000)	750,000	0
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	66,621	720,489	787,110
	<hr/>		<hr/>
Fund Cash Balances, January 1	319,827	3,760,193	4,080,020
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$386,448</b>	<b>\$4,480,682</b>	<b>\$4,867,130</b>
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$21,273	\$3,457	\$24,730
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*The notes to the financial statements are an integral part of this statement.*

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY 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>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Taxes	\$1,571,907	\$	\$1,571,907
Patron Fines and Fees	26,589		26,589
Earnings on Investments	205,644		205,644
Rental of Real Property	20,136		20,136
Contributions, Gifts and Donations	11,342		11,342
Miscellaneous Receipts	6		6
<b>Total Cash Receipts</b>	<u>1,835,624</u>	<u>0</u>	<u>1,835,624</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	653,892		653,892
Purchased and Contracted Services	423,486		423,486
Other Objects	12,480		12,480
Capital Outlay	37,044		37,044
<b>Total Cash Disbursements</b>	<u>1,126,902</u>	<u>0</u>	<u>1,126,902</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>708,722</u>	<u>0</u>	<u>708,722</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	100		100
Transfers-In		1,000,000	1,000,000
Transfers-Out	(1,000,000)		(1,000,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(999,900)</u>	<u>1,000,000</u>	<u>100</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(291,178)</u>	<u>1,000,000</u>	<u>708,822</u>
<b>Fund Cash Balances, January 1</b>	<u>611,005</u>	<u>2,760,193</u>	<u>3,371,198</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$319,827</u></u>	<u><u>\$3,760,193</u></u>	<u><u>\$4,080,020</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$1,117</u></u>	<u><u>\$0</u></u>	<u><u>\$1,117</u></u>

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



**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**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 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 is involved with the SOLO Regional Library which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 6.

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. Investments in STAROhio are recorded at share values 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 Projects 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 Projects Fund:

Building and Repair Fund – This fund receives transfers from the General Fund to be used for building projects, repairs and maintenance.

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

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

**E. Budgetary Process**

The Ohio Administrative Code requires budgeting for each fund annually.

**1. Appropriations**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund/function level of control.

**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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Library maintains a cash and investment 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  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	2001	2000
Demand deposits	\$49,503	\$389,189
Certificates of deposit	4,546,534	3,676,617
Total deposits	4,596,037	4,065,806
 STAROhio	 271,093	 14,214
Total investments	271,093	14,214
Total deposits and investments	\$4,867,130	\$4,080,020

**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 ended December 31, 2001 and 2000, follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,950,000	\$1,972,964	\$22,964
Capital Projects	0	750,000	750,000
Total	\$1,950,000	\$2,722,964	\$772,964

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,001,117	\$1,927,616	\$73,501
Capital Projects	3,760,100	32,968	3,727,132
Total	\$5,761,217	\$1,960,584	\$3,800,633

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,816,600	\$1,835,724	\$19,124
Capital Projects	0	1,000,000	1,000,000
Total	\$1,816,600	\$2,835,724	\$1,019,124

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,131,647	\$2,128,019	\$3,628
Capital Projects	2,760,100	0	2,760,100
Total	\$4,891,747	\$2,128,019	\$2,763,728

**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 based on of any additional revenues the Library receives.

**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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**6. JOINTLY GOVERNED ORGANIZATION**

The SOLO (Southeastern Ohio Library Organization) Regional Library System (SOLO), is a regional library system created and jointly governed according to provisions of Ohio Rev. Code Section 3375.90 through Section 3375.93. The Regional Library System is composed of fourteen legally-separate libraries within Southeast Ohio: Barnesville Hutton Memorial Library, Bellaire Public Library, Caldwell Public Library, Guernsey County District Library, Kate Love Simpson Library, Martins Ferry Public Library, Monroe County District Library, Muskingum County Public Library System, Newark Public Library, Perry County District Library, Public Library of Steubenville and Jefferson County, Puskarich Public Library, St. Clairsville Public Library, and Washington County Public Library. The Regional Library System is governed by a fourteen member of Board of Trustees selected by the Librarians Council which consists of the library administrators or a representative from each member library. The Regional Library System provides annual training workshops for member library employees, technical training and assistance, a central graphics center, and coordinates the delivery of intra-library book loans. The Guernsey County District Public Library's control over budgeting and financing of SOLO is limited to its voting authority and its representation on SOLO's Board of Trustees.

**GUERNSEY COUNTY DISTRICT PUBLIC LIBRARY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**7. RELATED PARTY TRANSACTION**

The Library pays an annual fee to SOLO Regional Library, a jointly governed organization, of which the Library is a member. The Library paid \$14,025 to the SOLO Regional Library during the period January 1, 2000 through December 31, 2001. Fiscal year 2001 dues of \$6,025 were paid on May 31, 2001 and December 31, 2001 and fiscal year 2000 dues of \$8,000 were paid on May 31, 2000 and November 30, 2000.

**8. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The Library also provides health insurance 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**

Guernsey County District Public Library  
Guernsey County  
128 East 8<sup>th</sup> Street  
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, 2001 and 2000, and have issued our report thereon dated July 8, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

This report is intended solely 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.

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

**Jim Petro**  
Auditor of State

July 8, 2002







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**GUERNSEY COUNTY 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  
AUGUST 8, 2002**