



**PICKAWAY COUNTY DISTRICT LIBRARY
PICKAWAY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PICKAWAY COUNTY DISTRICT LIBRARY
PICKAWAY COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	3
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 on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This Page Intentionally Left Blank



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Pickaway County District Library
Pickaway County
165 East Main Street
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the accompanying financial statements of the Pickaway County District Library, Pickaway 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 combined fund cash balances and reserves for encumbrances of the Pickaway County District Library, Pickaway County, Ohio as of December 31, 1999 and December 31, 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 June 19, 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 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

June 19, 2000

**PICKAWAY COUNTY DISTRICT LIBRARY
PICKAWAY COUNTY**

**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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$1,805,856	\$0	\$0	\$1,805,856
Patron Fines and Fees	32,535	0	0	32,535
Earnings on Investments	46,826	0	53,533	100,359
Contributions, Gifts and Donations				
Restricted	773,361	563	129,503	903,427
Unrestricted	938	0	0	938
Miscellaneous Receipts	36,086	0	0	36,086
Total Cash Receipts	<u>2,695,602</u>	<u>563</u>	<u>183,036</u>	<u>2,879,201</u>
Cash Disbursements:				
Current:				
Salaries and Leave Benefits	669,953	0	0	669,953
Supplies	29,620	0	0	29,620
Purchased and Contracted Services	264,841	0	1,382	266,223
Library Materials & Information	226,337	50	0	226,387
Capital Outlay	934,039	0	91,010	1,025,049
Other Objects	9,611	0	0	9,611
Total Cash Disbursements	<u>2,134,401</u>	<u>50</u>	<u>92,392</u>	<u>2,226,843</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>561,201</u>	<u>513</u>	<u>90,644</u>	<u>652,358</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	14,778	14,778
Transfers-Out	(14,778)	0	0	(14,778)
Total Other Financing Receipts/(Disbursements)	<u>(14,778)</u>	<u>0</u>	<u>14,778</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	546,423	513	105,422	652,358
Fund Cash Balances, January 1, 1999	<u>225,652</u>	<u>38</u>	<u>1,478,339</u>	<u>1,704,029</u>
Fund Cash Balances, December 31, 1999	<u>\$772,075</u>	<u>\$551</u>	<u>\$1,583,761</u>	<u>\$2,356,387</u>
Reserves for Encumbrances, December 31, 1999	<u>\$52,464</u>	<u>\$131</u>	<u>\$13,160</u>	<u>\$65,755</u>

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

**PICKAWAY COUNTY DISTRICT LIBRARY
PICKAWAY 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>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Taxes	\$1,609,617	\$0	\$0	\$1,609,617
Patron Fines and Fees	23,217	0	0	23,217
Earnings on Investments	72,388	0	0	72,388
Contributions, Gifts and Donations	643	187	86,271	87,101
Miscellaneous Receipts	1,907	0	3,623	5,530
Total Cash Receipts	<u>1,707,772</u>	<u>187</u>	<u>89,894</u>	<u>1,797,853</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	653,008	0	0	653,008
Supplies	25,596	50	0	\$25,646
Purchased and Contracted Services	190,451	0	2,202	192,653
Library Materials & Information	189,880	99	0	\$189,979
Other Objects	5,100	0	0	5,100
Capital Outlay	24,671	0	8,469	33,140
Total Cash Disbursements	<u>1,088,706</u>	<u>149</u>	<u>10,671</u>	<u>1,099,526</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>619,066</u>	<u>38</u>	<u>79,223</u>	<u>698,327</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	0	599,890	599,890
Transfers-Out	(599,890)	0	0	(599,890)
Total Other Financing Receipts/(Disbursements)	<u>(599,890)</u>	<u>0</u>	<u>599,890</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	19,176	38	679,113	698,327
Fund Cash Balances, January 1, 1998	<u>206,476</u>	<u>0</u>	<u>799,226</u>	<u>1,005,702</u>
Fund Cash Balances, December 31, 1998	<u><u>\$225,652</u></u>	<u><u>\$38</u></u>	<u><u>\$1,478,339</u></u>	<u><u>\$1,704,029</u></u>
Reserves for Encumbrances, December 31, 1998	<u><u>\$73,212</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$73,212</u></u>

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

**PICKAWAY DISTRICT LIBRARY
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Pickaway County District Library, Pickaway 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. Four Trustees are appointed by the Common Pleas Court Judge and three Trustees are appointed by the County Commissioners. The Board of Trustees possess contracting and budgeting authority, handle personnel actions and do not exclusively depend on operational subsidies from the County. The Library provides general community services, including reference, children's, and outreach activities for the community.

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

The investments in STAR Ohio (the State Treasurer's investment pool) are valued at amounts reported by the State Treasurer at the fiscal year end.

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 Fund

This fund is 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 has the following fund:

United Way Fund - This fund receives contributions from United Way for special projects and events held at the Library.

**PICKAWAY DISTRICT LIBRARY
PICKAWAY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund

This fund is 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 has the following fund:

Library Capital Projects Fund - This fund receives monies from other funds and donations to construct, repair, and maintain Library facilities.

E. Budgetary Process

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or 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 re-appropriated.

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.

**PICKAWAY DISTRICT LIBRARY
PICKAWAY COUNTY**

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

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	<u>\$92,737</u>	<u>\$68,821</u>
Total deposits	<u>92,737</u>	<u>68,821</u>
STAR Ohio	<u>2,263,650</u>	<u>1,635,208</u>
Total investments	<u>2,263,650</u>	<u>1,635,208</u>
Total deposits and investments	<u><u>\$2,356,387</u></u>	<u><u>\$1,704,029</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.

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

3. STATE LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND

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 because of any additional revenues realized by the Library.

4. 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 contributed both the employees and employer shares of PERS. This amount is equal to 8.5% and 13.55% of the participants gross salaries. The Library has paid all contributions required through December 31, 1999.

**PICKAWAY DISTRICT LIBRARY
PICKAWAY COUNTY**

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

5. 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.

6. DONATED STOCK

In 1998 the Library received authority to use common stock donated by a local financier to finance the construction of a branch library in Ashville, Ohio. As construction costs were incurred common stock was sold to pay invoices for constructing and equipping this library. The monies received from the sale of the common stock was recorded as donations in the financial records of the Library and payments to contractors were recorded as expenditures.

Upon completion of the library construction, any unsold common stock will be returned to the local financier. The accompanying financial statements cash balances do not include the carrying amount of the common stock at December 31, 1999 and December 31, 1998.



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

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

Board of Trustees
Pickaway County District Library
Pickaway County
165 East Main Street
Circleville, Ohio 43113

We have audited the accompanying financial statements of the Pickaway County District Library, Pickaway 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 19, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is 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 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 June 19, 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", written in a cursive style.

JIM PETRO
Auditor of State

June 19, 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 LIBRARY

PICKAWAY 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 25, 2000**