



**Auditor of State
Betty Montgomery**

GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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 statement of the Garnet A. Wilson Public Library, Pike County, Ohio (the Library), as of and for the year ended December 31, 2003. This financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on this financial statement 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared this financial statement using accounting practices the Auditor of State prescribes or permits, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Garnet A. Wilson Public Library, Pike County, as of December 31, 2003, and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Garnet A. Wilson Public Library
Pike County
Independent Accountants' Report
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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 28, 2005

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$957,334	\$	\$957,334
Patron Fines and Fees	29,804		29,804
Earnings on Investments	6,940		6,940
Contributions, Gifts and Donations	6,970		6,970
Miscellaneous Receipts	31,656		31,656
	<u>1,032,704</u>		<u>1,032,704</u>
Total Cash Receipts			
	<u>1,032,704</u>	<u>0</u>	<u>1,032,704</u>
Cash Disbursements:			
Current:			
Salaries	466,187		466,187
Employee Fringe Benefits	137,671		137,671
Purchased and Contracted Services	111,385		111,385
Library Material and Information	140,773		140,773
Supplies	22,336		22,336
Other	4,689		4,689
Debt Service:			
Redemption of Principal	250,360		250,360
Interest Payments and Other Financing Fees and Costs	8,940		8,940
Capital Outlay	6,384	164,225	170,609
	<u>1,148,725</u>	<u>164,225</u>	<u>1,312,950</u>
Total Cash Disbursements			
	<u>1,148,725</u>	<u>164,225</u>	<u>1,312,950</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(116,021)</u>	<u>(164,225)</u>	<u>(280,246)</u>
Other Financing Receipts:			
Proceeds of Notes	177,655		177,655
	<u>177,655</u>		<u>177,655</u>
Total Other Financing Receipts			
	<u>177,655</u>	<u>0</u>	<u>177,655</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	61,634	(164,225)	(102,591)
Fund Cash Balances, January 1	83,584	526,177	609,761
	<u>83,584</u>	<u>526,177</u>	<u>609,761</u>
Fund Cash Balances, December 31	<u>\$145,218</u>	<u>\$361,952</u>	<u>\$507,170</u>
Reserves for Encumbrances, December 31	<u>\$10,605</u>	<u>\$0</u>	<u>\$10,605</u>

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

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

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Garnet A. Wilson Public Library, Pike County (the Library), as a body corporate and politic. The Board of Pike County Commissioners appoints four-members and the Pike County Common Pleas Judge appoints three-members to the Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources. The Library is involved with the Ohio Valley Area Libraries which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 8.

The Library's management believes this financial statement presents all activities for which the Library is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

This statement includes 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. 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 accounts for all financial resources except those required to be accounted for in another fund.

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

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Project Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant Capital Project Fund:

Western Branch Library Fund – This fund receives money for the construction of a branch library.

E. Budgetary Process

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, and object level of control.

A summary of 2003 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

G. Accumulated Vacation and Personal Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

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>2003</u>
Demand deposits	<u>\$50,097</u>
Certificates of deposit	<u>100,000</u>
Total deposits	<u>150,097</u>
STAROhio	<u>357,073</u>
Total investments	<u>357,073</u>
Total deposits and investments	<u><u>\$507,170</u></u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation, or (2) 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.

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

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,004,155	\$1,210,359	\$206,204
Capital Projects	0	0	0
Total	\$1,004,155	\$1,210,359	\$206,204

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,197,935	\$1,159,330	\$38,605
Capital Projects	434,880	164,225	270,655
Total	\$1,632,815	\$1,323,555	\$309,260

4. GRANTS-IN-AID

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The state allocates LLGSF 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. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Note	\$164,368	4.25%
Total	\$164,368	

The general obligation note was for operating capital to build a new branch library. The original note was for \$250,015. The note is collateralized solely by the Library's taxing authority. The note renews each year at maturity, and the note has one renewal remaining as of December 31, 2003.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2004	\$170,408

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

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

6. RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provide survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Library's OPERS members contributed 8.5 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

The Garnet A. Wilson Public Library has obtained commercial insurance for the following risks:

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

The Library provides health insurance to all employees through a private carrier. The Library also provides life, dental and vision insurance to all 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 Section 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.

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 \$8,314 to OVAL during the period of January 1, 2003 to December 31, 2003. The Library paid dues of \$550 and fees of \$7,764.

10. CONTRACTUAL COMMITMENTS

Contractor	Contract Amount	Amount Expended	Balance at 12/31/03
Dain Lyon	\$267,103	\$257,712	\$9,391
S & S Electric	\$37,733	\$35,963	\$1,770



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statement of the Garnet A. Wilson Public Library, Pike County, Ohio (the Library), as of and for the year ended December 31, 2003, and have issued our report thereon dated October 28, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

October 28, 2005



**Auditor of State
Betty Montgomery**

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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
DECEMBER 6, 2005**