



**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Forest Jackson Public Library
Hardin County
122 E. Lima Street
Forest, Ohio 45843-1116

To the Board of Trustees:

We have audited the accompanying financial statements of the Forest Jackson Public Library, Hardin 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 fund cash balances, and reserves for encumbrances of the Library as of December 31, 1999 and 1998, and its 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 21, 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, 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

June 21, 2000

FOREST JACKSON PUBLIC LIBRARY

**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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Taxes	\$82,082	\$0	\$82,082
Other Government Grants-In-Aid	750	0	750
Patron Fines and Fees	2,118	0	2,118
Earnings on Investments	1,317	0	1,317
Contributions, Gifts and Donations	1,104	2,565	3,669
Miscellaneous Receipts	861	1,000	1,861
	<u>88,232</u>	<u>3,565</u>	<u>91,797</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	40,120	0	40,120
Purchased and Contracted Services	13,874	0	13,874
Supplies	5,291	0	5,291
Library Materials and Information	14,998	0	14,998
Other Objects	2,174	0	2,174
Capital Outlay	2,155	0	2,155
	<u>78,612</u>	<u>0</u>	<u>78,612</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>9,620</u>	<u>3,565</u>	<u>13,185</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	16,750	16,750
Transfers-Out	(16,750)	0	(16,750)
	<u>(16,750)</u>	<u>16,750</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,130)	20,315	13,185
Fund Cash Balances, January 1	<u>24,110</u>	<u>11,685</u>	<u>35,795</u>
Fund Cash Balances, December 31	<u><u>\$16,980</u></u>	<u><u>\$32,000</u></u>	<u><u>\$48,980</u></u>
Reserves for Encumbrances, December 31	<u><u>\$1,568</u></u>	<u><u>\$0</u></u>	<u><u>\$1,568</u></u>

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

FOREST JACKSON PUBLIC LIBRARY

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
Taxes	\$75,493	\$0	\$75,493
Patron Fines and Fees	1,469	0	1,469
Earnings on Investments	1,303	0	1,303
Contributions, Gifts and Donations	2,598	912	3,510
Miscellaneous Receipts	1,449	0	1,449
 Total Cash Receipts	 82,312	 912	 83,224
Cash Disbursements:			
Current:			
Salaries and Benefits	37,830	0	37,830
Supplies	3,901	0	3,901
Purchased and Contracted Services	9,166	0	9,166
Library Materials and Information	16,661	0	16,661
Other Objects	2,320	0	2,320
Capital Outlay	6,138	0	6,138
 Total Cash Disbursements	 76,016	 0	 76,016
 Total Cash Receipts Over/(Under) Cash Disbursements	 6,296	 912	 7,208
Other Financing Receipts/(Disbursements):			
Transfers-In	0	3,000	3,000
Transfers-Out	(3,000)	\$0	(3,000)
 Total Other Financing Receipts/(Disbursements)	 (3,000)	 3,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 3,296	 3,912	 7,208
 Fund Cash Balances, January 1	 20,814	 7,773	 28,587
 Fund Cash Balances, December 31	 \$24,110	 \$11,685	 \$35,795
 Reserves for Encumbrances, December 31	 \$2,776	 \$0	 \$2,776

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

**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Forest Jackson Public Library, Hardin 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 an seven-member Board of Trustees, appointed by the Board of Education of the Riverdale School District for a term of seven years. The Library serves as an information agency to support both the formal and informal learning requirements and recreational needs of its patrons. The Library extends its services to all the residents of the State of Ohio on equal terms.

The Riverdale Local School District is a separate entity from the Library and the financial statements of the school are not included herein.

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 investment in STAR Ohio (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 fund:

Building and Repair Fund - receives receipts that are restricted for acquisition or construction of major capital projects.

**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

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

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, and appropriations may not exceed estimated resources. The Library 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. The County Budget Commission must also approve estimated resources.

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:

**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$30,180	\$17,911
Petty Cash	<u>20</u>	<u>20</u>
Total deposits	30,200	17,931
STAR Ohio	<u>18,780</u>	<u>17,864</u>
Total deposits and investments	<u><u>\$48,980</u></u>	<u><u>\$35,795</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio 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	\$102,014	\$88,232	(\$13,782)
Capital Projects	<u>28,685</u>	<u>20,315</u>	<u>(8,370)</u>
Total	<u><u>\$130,699</u></u>	<u><u>\$108,547</u></u>	<u><u>(\$22,152)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$108,256	\$96,930	\$11,326
Capital Projects	<u>28,684</u>	<u>0</u>	<u>28,684</u>
Total	<u><u>\$136,940</u></u>	<u><u>\$96,930</u></u>	<u><u>\$40,010</u></u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$75,052	\$82,312	\$7,260
Capital Projects	<u>3,500</u>	<u>3,912</u>	<u>412</u>
Total	<u><u>\$78,552</u></u>	<u><u>\$86,224</u></u>	<u><u>\$7,672</u></u>

**FOREST JACKSON PUBLIC LIBRARY
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$91,000	\$81,792	\$9,208
Capital Projects	11,000	0	\$11,000
Total	\$102,000	\$81,792	\$20,208

4. TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF), created by the State Legislature to replace the intangible tax. 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, operations, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional resources 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.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- S Comprehensive property and general liability
- Errors and omissions

7. SUBSEQUENT EVENTS

The District purchased a building on June 7, 2000, in the amount of \$200,000, to house the Library. The building is being financed by the previous owner for a period of 3 years.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Forest Jackson Public Library
Hardin County
122 East Lima Street
Forest, Ohio 45843-1116

To the Board of Trustees:

We have audited the accompanying financial statements of the Forest Jackson Public Library, Hardin County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 21, 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 June 21, 2000.

Forest Jackson Public Library
Hardin County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 21, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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FOREST JACKSON PUBLIC LIBRARY

HARDIN 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 22, 2000**