



**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Puskarich Public Library
Harrison County
200 East Market Street
Cadiz, Ohio 43907

To the Board of Trustees:

We have audited the accompanying financial statements of the Puskarich Public Library, Harrison 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 of the Library 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 March 30, 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. The 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

March 30, 2001

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PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:					
Other Government Grants-In-Aid	\$557,209	\$5,785			\$562,994
Patron Fines and Fees	17,807				17,807
Earnings on Investments	4,509	32	\$2,491	\$1,414	8,446
Contributions, Gifts and Donations	13,221		24,083		37,304
Miscellaneous Receipts	1,564			21	1,585
Total Cash Receipts	594,310	5,817	26,574	1,435	628,136
Cash Disbursements:					
Current:					
Salaries and Benefits	293,995			661	294,656
Purchased and Contracted Services	101,036		16,182		117,218
Supplies	17,991				17,991
Library Material and Information	70,297			755	71,052
Other Objects	14,967			112	15,079
Capital Outlay	24,046		260,970		285,016
Total Cash Disbursements	522,332		277,152	1,528	801,012
Total Cash Receipts Over/(Under) Cash Disbursements	71,978	5,817	(250,578)	(93)	(172,876)
Other Financing Receipts/(Disbursements):					
Proceeds of Notes			200,000		200,000
Proceeds from Sales of Property			295		295
Transfers-In			76,850	11,063	87,913
Transfers-Out	(67,913)			(20,000)	(87,913)
Total Other Financing Receipts/(Disbursements)	(67,913)		277,145	(8,937)	200,295
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	4,065	5,817	26,567	(9,030)	27,419
Fund Cash Balances, January 1	58,656		95,714	65,743	220,113
Fund Cash Balances, December 31	\$62,721	\$5,817	\$122,281	\$56,713	\$247,532

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

PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Disbursements:			
Purchased and Contracted Services	\$1,107		\$1,107
Other Objects		\$98	98
Library Materials and Information		631	631
	<u>1,107</u>	<u>729</u>	<u>1,836</u>
Total Operating Cash Disbursements			
	1,107	729	1,836
Operating Income/(Loss)	(1,107)	(729)	(1,836)
Non-Operating Cash Receipts:			
Earnings on Investments	4,026	1,487	5,513
	<u>4,026</u>	<u>1,487</u>	<u>5,513</u>
Total Non-Operating Cash Receipts			
	4,026	1,487	5,513
Net Receipts Over/(Under) Disbursements	2,919	758	3,677
Fund Cash Balances, January 1		26,875	26,875
Fund Cash Balances, December 31	<u>\$2,919</u>	<u>\$27,633</u>	<u>\$30,552</u>

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

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Other Government Grants-In- Aid	\$519,476			\$519,476
Patron Fines and Fees	19,073			19,073
Earnings on Investments	4,753	\$236	\$1,596	6,585
Contributions, Gifts and Donations	3,477			3,477
Miscellaneous Receipts	10,077			10,077
	<u>556,856</u>	<u>236</u>	<u>1,596</u>	<u>558,688</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	276,830		1,269	278,099
Purchased and Contracted Services	99,208	38		99,246
Supplies	20,326			20,326
Library Materials and Information	72,471			72,471
Other Objects	14,307	1	91	14,399
Capital Outlay	21,788		1,109	22,897
	<u>504,930</u>	<u>39</u>	<u>2,469</u>	<u>507,438</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>51,926</u>	<u>197</u>	<u>(873)</u>	<u>51,250</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	910			910
Transfers-In		65,478		65,478
Transfers-Out	(64,032)	(1,446)		(65,478)
	<u>(63,122)</u>	<u>64,032</u>		<u>910</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(11,196)	64,229	(873)	52,160
Fund Cash Balances, January 1	<u>69,852</u>	<u>31,485</u>	<u>66,616</u>	<u>167,953</u>
Fund Cash Balances, December 31	<u>\$58,656</u>	<u>\$95,714</u>	<u>\$65,743</u>	<u>\$220,113</u>

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

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES -
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Operating Cash Disbursements:	
Library Materials and Information	\$947
Other Objects	97
Capital Outlay	<u>1,185</u>
Total Operating Cash Disbursements	2,229
Non-Operating Cash Receipts:	
Earnings on Investments	<u>1,520</u>
Total Non-Operating Cash Receipts	<u>1,520</u>
Net Receipts Over/(Under) Disbursements	(709)
Fund Cash Balances, January 1	<u>27,584</u>
Fund Cash Balances, December 31	<u><u>\$26,875</u></u>

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

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Puskarich Public Library, Harrison 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 Court of Common Pleas. 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. Stocks are shown at market value at time of donation.

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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. This fund has been established to repay a loan from Harrison County to purchase the building housing the Scio Branch of the Library.

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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.

Capital Project Fund - This fund receives interest earnings and donations to be used for future capital improvements of the Library.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Library had the following significant enterprise fund:

Scio Branch Rental Fund - This fund receives rental income from a restaurant housed in the Scio branch building.

5. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable.

The Library had the following significant fiduciary funds:

Louys Expendable Trust Fund - This fund receives interest earned from a certificate of deposit, which is generally used for the support of the Library.

The Smiley Non-Expendable Trust Fund - This fund receives interest, which is used to purchase books and materials for the Library.

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. Appropriations lapse at year end.

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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

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:

	December 31, 2000	December 31, 1999
Demand deposits	\$208,026	\$96,421
Certificates of deposit	<u>25,549</u>	<u>111,049</u>
Total deposits	233,575	207,470
 Stock Investments	 <u>44,509</u>	 <u>39,518</u>
Total deposits and investments	<u><u>\$278,084</u></u>	<u><u>\$246,988</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The donated stock certificates are held by the library.

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

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	\$593,209	\$594,310	\$1,101
Debt Service	5,801	5,817	16
Capital Projects	302,714	303,719	1,005
Enterprise	4,010	4,026	16
Fiduciary	13,563	13,985	422
Total	<u>\$919,297</u>	<u>\$921,857</u>	<u>\$2,560</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$637,903	\$590,245	\$47,658
Debt Service	0	0	0
Capital Projects	354,490	277,152	77,338
Enterprise	1,328	1,107	221
Fiduciary	3,000	22,257	(19,257)
Total	<u>\$996,721</u>	<u>\$890,761</u>	<u>\$105,960</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$561,097	\$557,766	(\$3,331)
Capital Projects	31,009	65,714	34,705
Fiduciary	2,000	3,116	1,116
Total	<u>\$594,106</u>	<u>\$626,596</u>	<u>\$32,490</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$606,712	\$568,962	\$37,750
Capital Projects	31,000	1,485	29,515
Fiduciary	4,850	4,698	152
Total	<u>\$642,562</u>	<u>\$575,145</u>	<u>\$67,417</u>

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

4. GRANTS-IN-AID

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. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Notes	\$203,625	6%

This note was obtained from Harrison County to aid in the purchase of the Library's Scio Branch building.

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

Year ending December 31:	General Obligation Notes
2001	24,867
2002	27,127
2003	27,127
2004	27,127
Subsequent	137,903
Total	\$271,278

6. 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, members of PERS contributed 8.5% of their gross salaries. For 2000, the Library contributed an amount equal to 10.84% of participants' gross salaries and for 1999, the Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 2000.

**PUSKARICH PUBLIC LIBRARY
HARRISON COUNTY**

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

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 coverage to full-time employees through a private carrier.



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

Puskarich Public Library
Harrison County
200 East Market Street
Cadiz, Ohio 43907

To the Board of Trustees:

We have audited the accompanying financial statements of the Puskarich Public Library, Harrison County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 30, 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 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 a certain 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 March 30, 2001.

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

March 30, 2001



STATE OF OHIO
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PUSKARICH DISTRICT PUBLIC LIBRARY

HARRISON 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
MAY 22, 2001**