



**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Clark County Public Library
Clark County
201 South Fountain
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library, Clark 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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 1999 and 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 July 11, 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 Long Range Financial Planning 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.

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

Jim Petro
Auditor of State

July 11, 2000

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Funds</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$5,026,113	\$439,042	\$0	\$0	\$5,465,155
Patron Fines and Fees	82,813				82,813
Earnings on Investments	366,746			321	367,067
Services Provided to Other Entities	2,218				2,218
Contributions, Gifts and Donations	4,382		8,417		12,799
Miscellaneous Receipts	104,609				104,609
Total Cash Receipts	<u>5,586,881</u>	<u>439,042</u>	<u>8,417</u>	<u>321</u>	<u>6,034,661</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	2,170,118				2,170,118
Supplies	80,150				80,150
Purchased and Contracted Services	730,954	7,364			738,318
Library Materials	680,694				680,694
Other Objects	42,217				42,217
Debt Service:					
Redemption of Principal		220,000			220,000
Interest Payments and Other Financing Fees and Costs		113,750			113,750
Capital Outlay	135,002				135,002
Total Cash Disbursements	<u>3,839,135</u>	<u>341,114</u>	<u>0</u>	<u>0</u>	<u>4,180,249</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,747,746</u>	<u>97,928</u>	<u>8,417</u>	<u>321</u>	<u>1,854,412</u>
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	5,639				5,639
Transfers-In			900,000		900,000
Transfers-Out	(900,000)				(900,000)
Total Other Financing Receipts/(Disbursements)	<u>(894,361)</u>	<u>0</u>	<u>900,000</u>	<u>0</u>	<u>5,639</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	853,385	97,928	908,417	321	1,860,051
Fund Cash Balances, January 1	3,036,385	294,179	3,115,764	17,521	6,463,849
Fund Cash Balances, December 31	<u>\$3,889,770</u>	<u>\$392,107</u>	<u>\$4,024,181</u>	<u>\$17,842</u>	<u>\$8,323,900</u>
Reserves for Encumbrances, December 31	<u>\$3,634,228</u>	<u>\$0</u>	<u>\$2,450,000</u>	<u>\$0</u>	<u>\$6,084,228</u>

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$70
Total Operating Cash Disbursements	0
Operating Income/(Loss)	70
Fund Cash Balances, January 1	3,013
Fund Cash Balances, December 31	\$3,083
Reserves for Encumbrances, December 31	\$0

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

	Governmental Fund Types			Fiduciary Funds	Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$4,784,874	\$388,586	\$0	\$0	\$5,173,460
Patron Fines and Fees	82,543				82,543
Earnings on Investments	308,306				308,306
Services Provided to Other Entities	2,802				2,802
Contributions, Gifts and Donations	8,191		5,671	16,220	30,082
Miscellaneous Receipts	102,070				102,070
Total Cash Receipts	5,288,786	388,586	5,671	16,220	5,699,263
Cash Disbursements:					
Current:					
Salaries and Benefits	2,130,407				2,130,407
Supplies	72,801				72,801
Purchased and Contracted Services	722,759	6,488			729,247
Library Materials	718,792			5,901	724,693
Other Objects	17,793				17,793
Debt Service:					
Redemption of Principal		220,000			220,000
Interest Payments and Other Financing Fees and Costs		127,500			127,500
Capital Outlay	159,050				159,050
Total Cash Disbursements	3,821,602	353,988	0	5,901	4,181,491
Total Cash Receipts Over/(Under) Cash Disbursements	1,467,184	34,598	5,671	10,319	1,517,772
Other Financing Receipts/(Disbursements):					
Proceeds from Sales of Property	4,461				4,461
Transfers-In			900,000	308	900,308
Transfers-Out	(900,380)				(900,380)
Total Other Financing Receipts/(Disbursements)	(895,919)	0	900,000	308	4,389
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	571,265	34,598	905,671	10,627	1,522,161
Fund Cash Balances, January 1	2,465,120	259,581	2,210,093	6,894	4,941,688
Fund Cash Balances, December 31	\$3,036,385	\$294,179	\$3,115,764	\$17,521	\$6,463,849
Reserves for Encumbrances, December 31	\$2,895,961	\$0	\$1,950,000	\$1,594	\$4,847,555

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts	\$0
Operating Cash Disbursements:	0
Operating Income/(Loss)	0
Transfers-In	72
Net Receipts Over/(Under) Disbursements	72
Fund Cash Balances, January 1	2,941
Fund Cash Balances, December 31	\$3,013
Reserves for Encumbrances, December 31	\$0

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clark County Public Library, Clark 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 County Commissioner and the Courts. 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

Certificates of deposit are valued at cost. 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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness.

A debt service fund was established to provide for the financing of the building of the current library.

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). A building and repair fund has been established.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. 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: Expendable Trust funds - Bennett Trust Fund and the Hinkle Endowment; Non-Expendable Trust Funds - Trump and Leventhal endowments. These funds were created and exist according to the trust agreements.

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. 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 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.

**CLARK COUNTY PUBLIC LIBRARY
CLARK 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	\$20,254	\$33,711
Certificates of deposit	8,549	8,229
Total deposits	28,803	41,940
Petty Cash	406	406
STAR Ohio	8,297,774	6,424,516
Total deposits and investments	\$8,326,983	\$6,466,862

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 3, 1999 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,591,216	\$5,592,520	\$1,304
Debt Service	436,452	439,042	2,590
Capital Projects	908,417	908,417	0
Fiduciary	391	391	0
Total	\$6,936,476	\$6,940,370	\$3,894

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,627,600	\$8,373,363	\$254,237
Debt Service	730,631	341,114	389,517
Capital Projects	4,024,182	2,450,000	1,574,182
Fiduciary	20,925	0	20,925
Total	\$13,403,338	\$11,164,477	\$2,238,861

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,290,334	\$5,293,247	\$2,913
Debt Service	388,586	388,586	0
Capital Projects	905,671	905,671	0
Fiduciary	16,600	16,600	0
Total	\$6,601,191	\$6,604,104	\$2,913

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,755,454	\$7,617,943	\$137,511
Debt Service	648,167	353,988	294,179
Capital Projects	3,115,764	1,950,000	1,165,764
Fiduciary	26,435	7,495	18,940
Total	\$11,545,820	\$9,929,426	\$1,616,394

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 on account of any additional revenues realized by the Library.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,600,000	6.25%

The General Obligation Bonds were issued on December 1, 1986 with the original issuance of \$4,335,000 for the purpose of constructing, equipping and furnishing a new main library, acquiring real estate for that library, and making necessary site improvements.

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

Year ending December 31:	General Obligation Bonds
2000	\$320,000
2001	306,250
2002	292,500
2003	278,750
2004	285,000
Subsequent	525,000
Total	\$2,007,500

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. 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.

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 and dental and vision coverage to employees through a private carrier.

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

Clark County Public Library
Clark County
201 South Fountain
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library, Clark County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 11, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 July 11, 2000 .

This report is intended for the information and use of the Long-Range Financial Planning Committee, 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

July 11, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLARK COUNTY PUBLIC LIBRARY

CLARK 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**