



**PERRY COUNTY DISTRICT LIBRARY  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**PERRY COUNTY DISTRICT LIBRARY  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Combined 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 of Independent Accountants 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

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Perry County District Library  
Perry County  
117 South Jackson Street  
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry County District Library, Perry 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 Perry County District Library, Perry County, 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 May 16, 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

May 16, 2000



**PERRY COUNTY DISTRICT LIBRARY  
 COMBINED 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$94,220		\$94,220
Other Government Grants-In-Aid	1,081,931		1,081,931
Patron Fines and Fees	33,144		33,144
Earnings on Investments	14,547		14,547
Contributions, Gifts and Donations	2,975		2,975
Miscellaneous Receipts	17,393		17,393
Total Cash Receipts	<u>1,244,210</u>	<u>\$0</u>	<u>1,244,210</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	532,523		532,523
Supplies	35,806		35,806
Purchased and Contracted Services	217,082		217,082
Library Materials and Information	172,321		172,321
Other Expenditures	18,901		18,901
Capital Outlay	31,856		31,856
Total Cash Disbursements	<u>1,008,489</u>		<u>1,008,489</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>235,721</u>		<u>235,721</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	1,001		1,001
Transfers-In		170,000	170,000
Transfers-Out	(170,000)		(170,000)
Total Other Financing Receipts/(Disbursements)	<u>(168,999)</u>	<u>170,000</u>	<u>1,001</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	66,722	170,000	236,722
Fund Cash Balances, January 1	<u>91,782</u>	<u>86,229</u>	<u>178,011</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$158,504</u></b>	<b><u>\$256,229</u></b>	<b><u>\$414,733</u></b>
Reserves for Encumbrances, December 31	<u>\$117,910</u>	<u>\$0</u>	<u>\$117,910</u>

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

**PERRY COUNTY DISTRICT LIBRARY  
 COMBINED 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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$88,692		\$88,692
Other Government Grants-In-Aid	995,755		995,755
Patron Fines and Fees	35,327		35,327
Earnings on Investments	10,381	\$50	10,431
Contributions, Gifts and Donations	3,873		3,873
Miscellaneous Receipts	10,790		10,790
<b>Total Cash Receipts</b>	<u>1,144,818</u>	<u>50</u>	<u>1,144,868</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	483,068		483,068
Supplies	36,116		36,116
Purchased and Contracted Services	184,347		184,347
Library Materials and Information	165,308		165,308
Other Expenditures	16,573		16,573
Capital Outlay	268,271	11,569	279,840
<b>Total Cash Disbursements</b>	<u>1,153,683</u>	<u>11,569</u>	<u>1,165,252</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(8,865)</u>	<u>(11,519)</u>	<u>(20,384)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		75,000	75,000
Transfers-Out	(75,000)		(75,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(75,000)</u>	<u>75,000</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(83,865)</u>	<u>63,481</u>	<u>(20,384)</u>
<b>Fund Cash Balances, January 1</b>	<u>175,647</u>	<u>22,748</u>	<u>198,395</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$91,782</b></u>	<u><b>\$86,229</b></u>	<u><b>\$178,011</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$50,035</b></u>	<u><b>\$0</b></u>	<u><b>\$50,035</b></u>

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



**PERRY COUNTY DISTRICT LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Perry County District Library, Perry 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, four of which are appointed by the Perry County Board of County Commissioners and three of which are appointed by the Common Pleas Court Judge. 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**

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 Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant Capital Project Fund:

*Lease-Purchase Fund* - This fund received investment earnings and transfers of funds from the General Fund. These funds are being accumulated to finance equipment purchases or leases.

**PERRY COUNTY DISTRICT LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**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, or object level of control. Control is at the object level based on the original appropriation resolution adopted by the Board of Trustees. 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.

**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>
Deposits:		
Demand deposits	\$130,405	\$59,322
Investments:		
STAR Ohio	<u>284,328</u>	<u>118,689</u>
Total deposits and investments	<u><u>\$414,733</u></u>	<u><u>\$178,011</u></u>

**PERRY COUNTY DISTRICT LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities pledged by the District Library's financial institution.

**Investments:** Investments in STAR Ohio and mutual funds 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	\$1,238,882	\$1,245,211	\$6,329
Capital Projects	0	170,000	170,000
Total	\$1,238,882	\$1,415,211	\$176,329

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,330,165	\$1,296,399	\$33,766
Capital Projects	86,229	0	86,229
Total	\$1,416,394	\$1,296,399	\$119,995

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,055,053	\$1,144,818	\$89,765
Capital Projects	700	75,050	74,350
Total	\$1,055,753	\$1,219,868	\$164,115

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,305,700	\$1,278,718	\$26,982
Capital Projects	23,448	11,569	11,879
Total	\$1,329,148	\$1,290,287	\$38,861

**PERRY COUNTY DISTRICT LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**4. GRANTS-IN-AID AND 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. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. 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.

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.

**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:

- Comprehensive property
- General liability and casualty
- Vehicles
- Errors and omissions

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
Athens Mall, Suite B  
Athens, Ohio 45701  
Telephone 740-594-3300  
800-441-1389  
Facsimile 740-594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Perry County District Library  
Perry County  
117 South Jackson Street  
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the Perry County District Library, Perry County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 16, 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 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 May 16, 2000.

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

May 16, 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

**PERRY COUNTY DISTRICT LIBRARY**

**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  
JUNE 20, 2000**