

**MINERVA PUBLIC LIBRARY**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 1999 and 1998**

**LAURA J. MACDONALD, CPA, INC.**  
**MEDINA, OHIO**

MINERVA PUBLIC LIBRARY  
FINANCIAL STATEMENTS  
Years Ended December 31, 1999 and 1998

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MINERVA PUBLIC LIBRARY  
STARK COUNTY

677 LYNNWOOD DRIVE  
MINERVA, OHIO 44657

APPOINTED OFFICIALS AS OF  
DECEMBER 31, 1999

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>
Ruth Ann Rinto	President	01/01/96 – 12/31/02
Susan Smith	Vice President	03/01/96 – 12/31/02
Ruby Smith	Secretary	01/01/98 – 12/31/04
Pam Swallen	Secretary	01/01/98 – 12/31/04
William Pilati	Trustee	01/01/95 – 12/31/01
Roger Bartley (1)	Trustee	09/01/98 – 12/31/01
Martin Chapman	Trustee	01/01/97 – 12/31/03

STATUTORY LEGAL COUNSEL

Robert D. Horowitz  
Stark County Prosecuting Attorney  
Courthouse Annex  
Canton, Ohio 44702

(1) Appointed to fill unexpired term of Edward Libbey

MINERVA PUBLIC LIBRARY  
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ADMINISTRATIVE PERSONNEL AS OF  
DECEMBER 31, 1999

<u>NAME/TITLE</u>	<u>TERM OF OFFICE OR CONTRACT PERIOD</u>	<u>SURETY</u>	<u>AMOUNT</u>
Lisa Stroup Clerk-Treasurer	<u>1998 Contract:</u> First organizational meeting in 1998 through first organizational meeting in 1999	State Automobile Mutual Insurance Company	\$5,000
	<u>1999 Contract:</u> First organizational meeting in 1999 through first organizational meeting 2000	State Automobile Mutual Insurance Company	\$5,000
Judith Z. Phillips Director	<u>1998 Contract:</u> First organizational meeting in 1998 through first organizational meeting in 1999	State Automobile Mutual Insurance Company	\$5,000
	<u>1999 Contract</u> First organizational meeting in 1999 through first organizational meeting in 2000	State Automobile Mutual Insurance Company	\$5,000



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Minerva Public Library  
677 Lynnwood Dr.  
Minerva, Ohio 44657

We have reviewed the Independent Auditor's Report of the Minerva Public Library, Stark County, prepared by Laura J. MacDonald, CPA, Inc., for the audit period January 1, 1998 to December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Minerva Public Library is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

July 9, 2000

LAURA J. MACDONALD, CPA, INC.

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MEDINA, OHIO 44256

(330) 722-1944

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Minerva Public Library  
Stark County  
677 Lynnwood Drive  
Minerva, Ohio 44657

I have audited the accompanying financial statements of the Minerva Public Library, Stark County, Ohio (the Library) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Minerva Public Library's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits 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 I plan and perform the audits 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. I believe that my audits provide a reasonable basis for my opinion.

As described 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 my opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Minerva Public 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, I have also issued a report dated June 9, 2000 on my consideration of the Minerva Public Library's internal control over financial reporting and my 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 Library's Trustees, management and other officials authorized to receive this report under Section 117.26 of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

*LJ Macdonald CPA Inc*

June 9, 2000

MINERVA PUBLIC LIBRARY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUNDS  
Year Ended December 31, 1999

	GENERAL FUND	CAPITAL PROJECTS FUND	(Memorandum Only) TOTAL
<b>CASH RECEIPTS</b>			
Intergovernmental revenues	\$ 762,125	\$ -	\$ 762,125
Patron fines and fees	15,950	-	15,950
Interest on investments	67,692	-	67,692
Unrestricted contributions, gifts and donations	1,556	14,054	15,610
Miscellaneous receipts	4,128	-	4,128
	<u>851,451</u>	<u>14,054</u>	<u>865,505</u>
<b>CASH DISBURSEMENTS</b>			
Salaries and benefits	335,829	-	335,829
Supplies	14,892	-	14,892
Purchased and contracted services	66,449	26,258	92,707
Library materials	105,498	-	105,498
Capital outlay	6,046	-	6,046
Other	10,328	-	10,328
	<u>539,042</u>	<u>26,258</u>	<u>565,300</u>
<b>EXCESS (DEFICIT) OF CASH RECEIPTS OVER CASH DISBURSEMENTS</b>	312,409	(12,204)	300,205
<b>OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>			
Sale of surplus property	218	-	218
Transfers-in	-	160,895	160,895
Transfers-out	(160,895)	-	(160,895)
	<u>(160,677)</u>	<u>160,895</u>	<u>218</u>
<b>EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS</b>	151,732	148,691	300,423
<b>FUND CASH BALANCES AT BEGINNING OF YEAR</b>	<u>40,954</u>	<u>1,185,363</u>	<u>1,226,317</u>
<b>FUND CASH BALANCES AT END OF YEAR</b>	<u>\$ 192,686</u>	<u>\$ 1,334,054</u>	<u>\$ 1,526,740</u>
<b>RESERVE FOR ENCUMBRANCES</b>	<u>\$ 9,257</u>	<u>\$ 300</u>	<u>\$ 9,557</u>

Please refer to accompanying notes.

MINERVA PUBLIC LIBRARY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUNDS  
Year Ended December 31, 1998

	GENERAL FUND	CAPITAL PROJECTS FUND	(Memorandum Only) TOTAL
<b>CASH RECEIPTS</b>			
Intergovernmental revenues	\$ 694,094	\$ -	\$ 694,094
Patron fines and fees	16,060	-	16,060
Interest on investments	55,390	-	55,390
Restricted contributions	503	-	503
Unrestricted contributions, gifts and donations	1,829	25,231	27,060
Miscellaneous receipts	6,718	-	6,718
	<u>774,594</u>	<u>25,231</u>	<u>799,825</u>
<b>CASH DISBURSEMENTS</b>			
Salaries and benefits	316,113	-	316,113
Supplies	13,110	-	13,110
Purchased and contracted services	57,369	8,300	65,669
Library materials	113,908	-	113,908
Capital outlay	3,388	-	3,388
Other	7,407	-	7,407
	<u>511,295</u>	<u>8,300</u>	<u>519,595</u>
<b>EXCESS OF CASH RECEIPTS OVER CASH DISBURSEMENTS</b>	263,299	16,931	280,230
<b>OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>			
Transfers-in	-	318,345	318,345
Transfers-out	(318,345)	-	(318,345)
	<u>(318,345)</u>	<u>318,345</u>	<u>-</u>
<b>EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS</b>	(55,046)	335,276	280,230
<b>FUND CASH BALANCES AT BEGINNING OF YEAR</b>	<u>96,000</u>	<u>850,087</u>	<u>946,087</u>
<b>FUND CASH BALANCES AT END OF YEAR</b>	<u>\$ 40,954</u>	<u>\$ 1,185,363</u>	<u>\$ 1,226,317</u>
<b>RESERVE FOR ENCUMBRANCES</b>	<u>\$ 9,042</u>	<u>\$ -</u>	<u>\$ 9,042</u>

Please refer to accompanying notes.



MINERVA PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Minerva Public Library (the Library) was recognized in 1911 as a "School District Library" under Ohio Revised Code Section 3375.15. The Library is governed by a Board of Trustees consisting of seven members. Prospective new Library Trustees are selected by the Library Board of Trustees, subject to approval by the Minerva Local Schools' Board of Education. The Library provides users with a wide range of written materials along with other sources of multi-media.

Accounting Basis

The accompanying financial statements have been prepared on 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 and disbursements are recognized when they are paid.

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:

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.

Capital Projects Fund

The Capital Projects Fund is used to account for receipts that are designated for the acquisition or construction of major capital projects.

Budgetary Process

The Ohio Revised Code requires each public library, entitled to participate in any appropriations or revenue of a subdivision, to file its budget with the taxing authority of the subdivision before June 1<sup>st</sup> of each year, estimating contemplated revenue and expenditures for the next fiscal year. The taxing authority must include in its budget of receipts the full amounts specified by the Board of Library Trustees (the Board) as contemplated revenues from classified property taxes and must include in its budget of expenditures the full amounts requested by the Board. A summary of 1999 and 1998 budgetary activity appears in Note 7.

MINERVA PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Library Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1<sup>st</sup>. The County Budget Commission must approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Library to reserve (encumber) appropriations when commitments are made.

A summary of 1999 and 1998 budgetary appears in Note 5.

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the accompanying financial statements.

Unpaid Vacation and Sick Leave

In certain circumstances, such as upon leaving employment, employees may be entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

MINERVA PUBLIC LIBRARY  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1999 and 1998

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31, 1999 and 1998 is as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 220,402	\$ 179,780
Money market funds (STAR Ohio)	<u>1,306,338</u>	<u>1,046,537</u>
Total	<u>\$1,526,740</u>	<u>\$1,226,317</u>

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the applicable financial institutions public entity deposit pool.

NOTE 3 - DEFINED BENEFIT PENSION PLAN

All Library employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple-employer plan. This plan provides for retirement benefits, including post retirement healthcare, and survivor and disability benefits to eligible participants as prescribed by the Ohio Revised Code. Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, Library employees contributed 8.5% of their gross salaries to PERS. The Library contributed 13.55% of participants' salaries during each of these years. The Library has paid all required contributions through December 31, 1999.

NOTE 4 - RISK MANAGEMENT

As of December 31, 1999, the Library had commercial general liability insurance coverage of \$1,000,000 for each occurrence and for \$2,000,000 in the aggregate; property coverage totaling \$3,480,000; and automobile liability coverage of \$1,000,000 per person and \$1,000,000 per accident.

MINERVA PUBLIC LIBRARY  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 1999 and 1998

NOTE 5 - BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 is as follows:

Year Ended December 31, 1999:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$790,831	\$ 851,669	\$ 60,838
Capital Projects	<u>161,041</u>	<u>174,949</u>	<u>13,908</u>
	<u>\$951,872</u>	<u>\$1,026,618</u>	<u>\$ 74,746</u>
<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 785,949	\$709,194	\$ 76,755
Capital Projects	<u>1,346,258</u>	<u>26,558</u>	<u>1,319,700</u>
	<u>\$2,132,207</u>	<u>\$735,752</u>	<u>\$1,396,455</u>

Year Ended December 31, 1998:

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 755,413	\$ 774,594	\$19,181
Capital Projects	<u>277,404</u>	<u>343,576</u>	<u>66,172</u>
	<u>\$1,032,817</u>	<u>\$1,118,170</u>	<u>\$85,353</u>
<u>Fund Type</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 851,413	\$838,682	\$ 12,731
Capital Projects	<u>1,127,491</u>	<u>8,300</u>	<u>1,119,191</u>
	<u>\$1,978,904</u>	<u>\$846,982</u>	<u>\$1,131,922</u>

Laura J. MacDonald, CPA, Inc.

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INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Minerva Public Library  
Stark County  
677 Lynnwood Drive  
Minerva, Ohio 44657

I have audited the accompanying financial statements of the Minerva Public Library as of and for the years ended December 31, 1999 and 1998, and have issued my report thereon dated June 9, 2000. I conducted my audits 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 Minerva Public Library's financial statements are free of material misstatement, I 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 my audits and, accordingly, I do not express such an opinion. The results of my 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 my audits, I considered the Minerva Public Library's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the management and Board of Trustees of Minerva Public Library, and is not intended to be and should not be used by anyone other than these specified parties.

*L. J. MacDonald, CPA, Inc.*

June 9, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MINERVA PUBLIC LIBRARY

STARK 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.

By: Susan Babbitt

Date: AUG 15 2000