



**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

---

**STATE OF OHIO**



**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON COUNTY**

**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 and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000 .....	3
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 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Bowerston School District Public Library  
Harrison County  
P. O. Box 205  
200 Main Street  
Bowerston, Ohio 44695

To the Board of Trustees:

We have audited the accompanying financial statements of the Bowerston School District Public Library, Harrison County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 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 and reserves for encumbrances of Bowerston School District Public Library as of December 31, 2000 and December 31, 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 13, 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. That 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 the audit.

This report is intended solely for the information and use of 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 13, 2001

**This page intentionally left blank.**

**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON 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, 2000**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Government Grants-In-Aid	\$256,459	\$30,742			\$287,201
Patron Fines and Fees	2,964				2,964
Earnings on Investments	11,258				11,258
Contributions, Gifts and Donations	1,260				1,260
Miscellaneous Revenue	379	305			684
<b>Total Cash Receipts</b>	<u>272,320</u>	<u>31,047</u>			<u>303,367</u>
<b>Cash Disbursements:</b>					
Employee Fringe Benefits	130,387				130,387
Supplies	8,265				8,265
Purchased and Contracted Services	46,128				46,128
Library Materials and Information	49,958				49,958
Other Objects	3,977		9,260		13,237
Capital Outlay	4,478				4,478
Debt Service		29,612			29,612
<b>Total Cash Disbursements</b>	<u>243,193</u>	<u>29,612</u>	<u>9,260</u>		<u>282,065</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>29,127</u>	<u>1,435</u>	<u>(9,260)</u>		<u>21,302</u>
Fund Cash Balances, January 1	82,104	2,858	68,091	11,045	164,098
<b>Fund Cash Balances, December 31</b>	<u><b>\$111,231</b></u>	<u><b>\$4,293</b></u>	<u><b>\$58,831</b></u>	<u><b>\$11,045</b></u>	<u><b>\$185,400</b></u>
Reserve for Encumbrances, December 31	<u>\$12,666</u>		<u>\$2,796</u>		<u>\$15,462</u>

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

**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON 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**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Government Grants-In-Aid	\$238,755	\$30,234			\$268,989
Patron Fines and Fees	5,704				5,704
Earnings on Investments	8,473				8,473
Miscellaneous Revenue	1,562	100			1,662
<b>Total Cash Receipts</b>	<b>254,494</b>	<b>30,334</b>			<b>284,828</b>
<b>Cash Disbursements:</b>					
Employee Fringe Benefits	117,266				117,266
Supplies	8,826			113	8,939
Purchased and Contracted Services	43,280				43,280
Library Materials and Information	41,263				41,263
Other Objects	3,872				3,872
Capital Outlay	15,195				15,195
Debt Service		30,588			30,588
<b>Total Cash Disbursements</b>	<b>229,702</b>	<b>30,588</b>		<b>113</b>	<b>260,403</b>
Total Receipts Over/(Under) Disbursements	24,792	(254)		(113)	24,425
<b>Other Financing Sources/(Uses):</b>					
Transfers-In			26,775		26,775
Transfers-Out	(26,775)				(26,775)
Other Financing Sources	25				25
<b>Total Other Financing Sources/(Uses)</b>	<b>(26,750)</b>		<b>26,775</b>		<b>25</b>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(1,958)	(254)	26,775	(113)	24,450
Fund Cash Balances, January 1	84,062	3,112	41,316	11,158	139,648
<b>Fund Cash Balances, December 31</b>	<b>\$82,104</b>	<b>\$2,858</b>	<b>\$68,091</b>	<b>\$11,045</b>	<b>\$164,098</b>
Reserve for Encumbrances, December 31	\$13,512				\$13,512

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



**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON LIBRARY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bowerston School District 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 Carroll-Harrison Educational Service Center. The Library provides the community with various educational and literary resources. The Bowerston School District Public Library is responsible for the provision of library services to the residents of the Conotton Valley Union Local School District which is located in Harrison and Carroll Counties.

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 and the money market account are valued at cost.

**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:

*Debt Service Fund* - This fund receives state income tax monies to pay a general obligation note relating to an addition to the library.

**BOWERSTON SCHOOL DISTRICT 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 donations to be used for capital improvements in the library.

**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. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant fiduciary funds:

*Johnston Expendable Trust Fund* - This fund receives interest earnings for the purchase of library books and materials from money donated by the Ruth Johnston Family.

**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 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.

**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Unpaid Sick Leave**

Employees are entitled to carry over unused sick leave to a maximum of 240 hours. Unpaid sick leave is not reflected as a liability under the cash basis of accounting used by the Library.

**2. EQUITY IN POOLED CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$185,310	\$164,008
Cash on hand	90	90
Total deposits	<u>\$185,400</u>	<u>\$164,098</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Library.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and December 31, 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$264,487	\$272,320	\$7,833
Debt Service	29,787	31,047	1,260
Capital Projects	0	0	0
Fiduciary	0	0	0
Total	<u>\$294,274</u>	<u>\$303,367</u>	<u>\$9,093</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$346,591	\$255,859	\$90,732
Debt Service	32,645	29,612	3,033
Capital Projects	68,091	12,056	56,035
Fiduciary	11,045	0	11,045
Total	<u>\$458,372</u>	<u>\$297,527</u>	<u>\$160,845</u>

**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$244,937	\$254,519	\$9,582
Debt Service	29,465	30,334	869
Capital Projects	26,775	26,775	0
Fiduciary	0	0	0
Total	<u>\$301,177</u>	<u>\$311,628</u>	<u>\$10,451</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$328,999	\$269,989	\$59,010
Debt Service	32,577	30,588	1,989
Capital Projects	68,091	0	68,091
Fiduciary	11,158	113	11,045
Total	<u>\$440,825</u>	<u>\$300,690</u>	<u>\$140,135</u>

**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:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note	\$76,546	5.80%

The General Obligation Note was issued in 1994, to finance the building addition to the Library. The note will be repaid with the general operating revenue.

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

**BOWERSTON SCHOOL DISTRICT PUBLIC LIBRARY  
HARRISON COUNTY**

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

**5. DEBT (Continued)**

<u>Year ending December 31:</u>	<u>General Obligation Note</u>
2001	\$29,312
2002	29,311
2003	<u>24,933</u>
Total	<u><u>\$83,556</u></u>

**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 during 1999 and 10.84% during 2000. The Library has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

**This page intentionally left blank.**



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

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

Bowerston School District Public Library  
Harrison County  
P.O. Box 205  
200 Main Street  
Bowerston, Ohio 44695

To the Board of Trustees:

We have audited the accompanying financial statements of the Bowerston School District Public Library, Harrison County, Ohio (the Library), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 13, 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 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.

Bowerston School District Public Library  
Harrison 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 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 13, 2001





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

**BOWERSTON SCHOOL 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  
APRIL 24, 2001**