



**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
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, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Non-Expendable Trust Fund For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Non-Expendable Trust Fund For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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REPORT OF INDEPENDENT ACCOUNTANTS

Delaware County District Library
Delaware County
84 East Winter Street
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of the Delaware County District Library, Delaware 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 reserve for encumbrances of the 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 8, 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 that 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 8, 2001

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**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$2,131,985	\$0	\$548,001	\$0	\$2,679,986
Intangible Taxes	76	0	0	0	76
Patron Fines and Fees	23,969	0	0	0	23,969
Earnings on Investments	67,124	6,920	0	20,084	94,128
Refunds & Reimbursements	2,608	0	0	0	2,608
Restricted Contributions	13,508	0	0	0	13,508
Unrestricted Contributions	880	0	0	0	880
Miscellaneous Receipts	26,383	0	0	0	26,383
	<u>2,266,533</u>	<u>6,920</u>	<u>548,001</u>	<u>20,084</u>	<u>2,841,538</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	952,737	0	0	0	952,737
Purchased and Contracted Services	196,114	0	16,912	0	213,026
Supplies	55,348	0	0	0	55,348
Library Materials and Info	320,737	0	0	0	320,737
Miscellaneous	14,334	0	0	0	14,334
Debt Service:					
Redemption of Principal	0	0	440,000	0	440,000
Interest Payments and Other Financing Fees and Costs	0	0	97,730	0	97,730
Capital Outlay	44,811	0	0	76,239	121,050
	<u>1,584,081</u>	<u>0</u>	<u>554,642</u>	<u>76,239</u>	<u>2,214,962</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	682,452	6,920	(6,641)	(56,155)	626,576
Fund Cash Balances, January 1	1,135,791	101,323	11,144	298,085	1,546,343
Fund Cash Balances, December 31	<u>\$1,818,243</u>	<u>\$108,243</u>	<u>\$4,503</u>	<u>\$241,930</u>	<u>\$2,172,919</u>
Reserves for Encumbrances, December 31	<u>\$697,271</u>	<u>\$0</u>	<u>\$0</u>	<u>\$832</u>	<u>\$698,103</u>

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

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Nonexpendable Trust</u>
Operating Cash Receipts:	
Interest on Earnings	<u>\$1,946</u>
Total Operating Cash Receipts	<u>1,946</u>
Operating Cash Disbursements:	
Current:	
Library Materials and Information	<u>1,555</u>
Total Operating Cash Disbursements	<u>1,555</u>
Operating Income/(Loss)	<u>391</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	391
Fund Cash Balance, January 1	<u>49,528</u>
Fund Cash Balance, December 31	<u><u>\$49,919</u></u>

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

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

**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>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$1,961,166	\$0	\$544,747	\$0	\$2,505,913
Patron Fines and Fees	27,391	0	0	0	27,391
Earnings on Investments	50,026	1,323	0	3,872	55,221
Refunds and Reimbursements	10,160	0	0	0	10,160
Restricted Contributions	6,060	0	0	0	6,060
Unrestricted Contributions	5,685	0	0	0	5,685
Miscellaneous Receipts	3,450	0	0	0	3,450
Total Cash Receipts	<u>2,063,938</u>	<u>1,323</u>	<u>544,747</u>	<u>3,872</u>	<u>2,613,880</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	819,267	0	0	0	819,267
Purchased and Contracted Services	199,587	0	13,291	0	212,878
Supplies	62,585	0	0	0	62,585
Library Materials and Info	267,452	0	0	0	267,452
Miscellaneous	8,286	0	0	0	8,286
Debt Service:					
Redemption of Principal	0	0	415,000	0	415,000
Interest Payments and Other Financing Fees and Costs	0	0	113,500	0	113,500
Capital Outlay	474,941	0	0	73,361	548,302
Total Cash Disbursements	<u>1,832,118</u>	<u>0</u>	<u>541,791</u>	<u>73,361</u>	<u>2,447,270</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>231,820</u>	<u>1,323</u>	<u>2,956</u>	<u>(69,489)</u>	<u>166,610</u>
Other Financing Receipts/(Disbursements):					
Transfers-Out	(2,407)	0	0	0	(2,407)
Total Other Financing Receipts/(Disbursements)	<u>(2,407)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,407)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>229,413</u>	<u>1,323</u>	<u>2,956</u>	<u>(69,489)</u>	<u>164,203</u>
Fund Cash Balances, January 1	<u>906,378</u>	<u>100,000</u>	<u>8,188</u>	<u>367,574</u>	<u>1,382,140</u>
Fund Cash Balances, December 31	<u><u>\$1,135,791</u></u>	<u><u>\$101,323</u></u>	<u><u>\$11,144</u></u>	<u><u>\$298,085</u></u>	<u><u>\$1,546,343</u></u>
Reserves for Encumbrances, December 31	<u><u>\$64,188</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$20,922</u></u>	<u><u>\$85,110</u></u>

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

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Nonexpendable Trust
Operating Cash Receipts:	
Interest on Earnings	\$1,946
Total Operating Cash Receipts	1,946
Operating Cash Disbursements:	
Current:	
Library Materials and Information	1,555
Total Operating Cash Disbursements	1,555
Operating Income/(Loss)	391
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	391
Fund Cash Balance, January 1	49,528
Fund Cash Balance, December 31	\$49,919

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

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delaware County District Library, Delaware County, Ohio, (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 six-member Board of Trustees. 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.

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. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes.

3. Debt Service Fund

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

Bond Retirement Fund - This fund has a bond issue to finance the Library construction.

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

4. Capital Projects 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 funds:

Building Fund - This fund is used to account for capital outlay for the library.

Permanent Improvement Fund - This fund is used to account for improvements to the Library.

5. Fiduciary Funds (Trust and Agency 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:

Endowment Fund - This fund is used to account for materials and information purchased 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. The County Budget Commission must also approve the annual appropriation measure. 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.

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>2000</u>	<u>1999</u>
Demand deposits	\$576,169	\$530,719
Certificates of deposit	1,646,669	1,065,152
Total deposits	<u>\$2,222,838</u>	<u>\$1,595,871</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,854,213	\$2,266,533	\$412,320
Special Revenue	5,000	6,920	1,920
Debt Service	532,814	548,001	15,187
Capital Projects	109,410	20,084	(89,326)
Non-Expendable Trust	2,100	1,946	(154)
Total	<u>\$2,503,537</u>	<u>\$2,843,484</u>	<u>\$339,947</u>

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,761,365	\$2,281,352	\$480,013
Special Revenue	100,000	0	100,000
Debt Service	571,500	554,642	16,858
Capital Projects	144,591	77,071	67,520
Non-Expendable Trust	2,000	1,555	445
Total	<u>\$3,579,456</u>	<u>\$2,914,620</u>	<u>\$664,836</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,849,173	\$2,063,938	\$214,765
Special Revenue	0	1,323	1,323
Debt Service	539,500	544,747	5,247
Capital Projects	104,200	3,872	(100,328)
Non-Expendable Trust	0	2,936	2,936
Total	<u>\$2,492,873</u>	<u>\$2,616,816</u>	<u>\$123,943</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,362,906	\$1,898,713	\$464,193
Special Revenue	100,000	0	100,000
Debt Service	541,800	541,791	9
Capital Projects	169,763	94,283	75,480
Non-Expendable Trust	2,000	1,614	386
Total	<u>\$3,176,469</u>	<u>\$2,536,401</u>	<u>\$640,068</u>

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.

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

4. GRANTS-IN-AID AND TAX RECEIPTS (Continued)

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.

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.

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$1,809,517	5.30% to 9.75%

The outstanding bond issue is for the construction of the library.

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

Year ending December 31:	General Obligation Bonds
2001	\$470,130
2002	448,750
2003	427,195
2004	405,475
2005	365,475
Subsequent	1,257,660
Total	\$3,374,685

**DELAWARE COUNTY DISTRICT LIBRARY
DELAWARE COUNTY**

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

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 picks-up the employee share of PERS and contributed an amount equal to 13.55% of their gross wages for 1999 and 10.84% for 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
- Public official's liability

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



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

Delaware County District Library
Delaware County
84 East Winter Street
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of the Delaware County District Library, Delaware 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 8, 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.

Delaware County District Library
Delaware 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 8, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DELAWARE COUNTY DISTRICT LIBRARY

DELAWARE 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 10, 2001**