



**LOGAN COUNTY LIBRARY
LOGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Logan County District Library
Logan County
220 North Main Street
Bellefontaine, Ohio 43311

To the Board of Trustees:

We have audited the accompanying financial statements of the Logan County District Library, Logan County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 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, fund cash balances of the Library as of December 31, 2000 and 1999, 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*, we have also issued our report dated May 14, 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 this 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

May 14, 2001

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**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
State Income Taxes	\$1,568,929			\$1,568,929
Patron Fines and Fees	32,440			32,440
Earnings on Investments	19,526	43,217	2,578	65,321
Contributions, Gifts and Donations	2,333			2,333
Miscellaneous Receipts	3,882			3,882
	<u>1,627,110</u>	<u>43,217</u>	<u>2,578</u>	<u>1,672,905</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	680,312			680,312
Purchased and Contracted Services	137,217	7,845		145,062
Supplies	51,780			51,780
Library Materials and Information	188,747			188,747
Other Objects	19,438			19,438
Capital Outlay	66,236	927	4,500	71,663
	<u>1,143,730</u>	<u>8,772</u>	<u>4,500</u>	<u>1,157,002</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>483,380</u>	<u>34,445</u>	<u>(1,922)</u>	<u>515,903</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		465,000		465,000
Transfers-Out	(465,000)			(465,000)
	<u>(465,000)</u>	<u>465,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	18,380	499,445	(1,922)	515,903
Fund Cash Balances, January 1	<u>75,758</u>	<u>901,582</u>	<u>83,468</u>	<u>1,060,808</u>
Fund Cash Balances, December 31	<u>\$94,138</u>	<u>\$1,401,027</u>	<u>\$81,546</u>	<u>\$1,576,711</u>

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

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
State Income Taxes	\$1,454,652			\$1,454,652
Patron Fines and Fees	29,636			29,636
Earnings on Investments	20,780	18,466	4,782	44,028
Contributions, Gifts and Donations	3,135			3,135
Miscellaneous Receipts	1,282			1,282
Total Cash Receipts	<u>1,509,485</u>	<u>18,466</u>	<u>4,782</u>	<u>1,532,733</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	630,507			630,507
Purchased and Contracted Services	133,179	12,247		145,426
Supplies	45,450			45,450
Library materials and Information	166,598			166,598
Other Objects	14,985		4,000	18,985
Capital Outlay	56,880	16,837		73,717
Total Cash Disbursements	<u>1,047,599</u>	<u>29,084</u>	<u>4,000</u>	<u>1,080,683</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>461,886</u>	<u>(10,618)</u>	<u>782</u>	<u>452,050</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		537,974		537,974
Transfers-Out	(537,974)			(537,974)
Total Other Financing Receipts/(Disbursements)	<u>(537,974)</u>	<u>537,974</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(76,088)</u>	<u>527,356</u>	<u>782</u>	<u>452,050</u>
Fund Cash Balances, January 1	<u>151,846</u>	<u>374,226</u>	<u>82,686</u>	<u>608,758</u>
Fund Cash Balances, December 31	<u>\$75,758</u>	<u>\$901,582</u>	<u>\$83,468</u>	<u>\$1,060,808</u>

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

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

DECEMBER 31, 2000 AND 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Logan County District Library, Logan 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 Logan County Board of County Commissioners and Logan County Court of Common Pleas . 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 Library's certificate of deposits, savings account, and overnight repurchase agreement 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. 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's Capital Project Fund is used for building construction and repair.

3. 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 has one expendable trust fund. The Suzie Parker Scholarship Fund receives interest income to grant scholarships to graduating high school students.

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

**DECEMBER 31, 2000 AND 1999
(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, and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 re-appropriated.

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.

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

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$568,707	\$307,348
Certificates of deposit	881,546	658,468
Savings account	67,455	37,040
Total deposits	1,517,708	1,002,856
Overnight repurchase agreement	59,003	57,952
Total deposits and investments	\$1,576,711	\$1,060,808

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

**DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,509,442	\$1,627,110	\$117,668
Capital Projects	165,100	508,217	343,117
Fiduciary	4,260	2,578	(1,682)
Total	\$1,678,802	\$2,137,905	\$459,103

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,657,957	\$1,608,730	\$49,227
Capital Projects	1,136,682	8,772	1,127,910
Fiduciary	87,727	4,500	83,227
Total	\$2,882,366	\$1,622,002	\$1,260,364

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,391,270	\$1,509,485	\$118,215
Capital Projects	200,100	556,440	356,340
Fiduciary	4,100	4,782	682
Total	\$1,595,470	\$2,070,707	\$475,237

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,635,375	\$1,585,573	\$49,802
Capital Projects	674,326	29,084	645,242
Fiduciary	86,785	4,000	82,785
Total	\$2,396,486	\$1,618,657	\$777,829

**LOGAN COUNTY DISTRICT LIBRARY
LOGAN COUNTY**

**DECEMBER 31, 2000 AND 1999
(Continued)**

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.

5. RETIREMENT SYSTEM

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries during the period January 1, 1999 through June 30, 2000. During the period of July 1, 2000 through December 31, 2000 there was a temporary reduction which reduced the employer rate to 8.13%. The Library has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General liability and casualty
- Public Officials Liability
- Inland Marine
- Commercial Crime
- Business Auto
- Errors and omissions
- Boiler and Machinery

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

7. Subsequent Events

During 2001, it was determined that the Library has an employee who had not contributed to PERS during the years 1949 through 1990. PERS has informed the Library that they owe both the employer and employee's share of retirement for this period in the amount of \$26,789. PERS billed the Library on May 8, 2001 and the Library has 90 days to make the payment.



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

Logan County District Library
Logan County
220 North Main Street
Bellefontaine, Ohio 43311

To the Board of Trustees:

We have audited the financial statements of the Logan County District Library, Logan County (the Library), as of and for the years ended December 31, 2000 and 1999 and have issued our report thereon dated May 14, 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 14, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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.

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

May 14, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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LOGAN COUNTRY DISTRICT LIBRARY

LOGAN 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
MAY 29, 2001**