



**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Nelsonville Public Library  
Athens County  
95 West Washington Street  
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of the Nelsonville Public Library, Athens 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 presents fairly, in all material respects, the combined fund cash balances of the Nelsonville Public Library, Athens County, as of December 31, 2000 and 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 16, 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 our audit.

This report is intended solely for the information and use of the audit committee, management, the 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 16, 2001

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**NELSONVILLE PUBLIC LIBRARY  
ATHENS 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>			
Governmental Grants-In-Aid	\$ 2,334,516	\$	\$ 2,334,516
Patron Fines and Fees	25,714		25,714
Earnings on Investments	39,847		39,847
Contributions, Gifts and Donations	4,208		4,208
Miscellaneous Receipts	10,741		10,741
 Total Cash Receipts	 2,415,026	 0	 2,415,026
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	1,286,833		1,286,833
Supplies	60,074		60,074
Purchased and Contracted Services	174,706	11,766	186,472
Library Materials and Information	449,934		449,934
Other Objects	5,825		5,825
Capital Outlay	196,284	496,376	692,660
 Total Cash Disbursements	 2,173,656	 508,142	 2,681,798
 Total Cash Receipts Over/(Under) Cash Disbursements	 241,370	 (508,142)	 (266,772)
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		191,370	191,370
Transfers-Out	(191,370)		(191,370)
 Total Other Financing Receipts/(Disbursements)	 (191,370)	 191,370	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 50,000	 (316,772)	 (266,772)
 Fund Cash Balances, January 1	 100,026	 968,314	 1,068,340
 <b>Fund Cash Balances, December 31</b>	 <b>\$ 150,026</b>	 <b>\$ 651,542</b>	 <b>\$ 801,568</b>

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

**NELSONVILLE PUBLIC LIBRARY  
ATHENS 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**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>			
Governmental Grants-In-Aid	\$ 2,166,054	\$	\$ 2,166,054
Patron Fines and Fees	24,467		24,467
Earnings on Investments	63,100		63,100
Contributions, Gifts and Donations	1,664		1,664
Miscellaneous Receipts	24,226		24,226
 Total Cash Receipts	 2,279,511	 0	 2,279,511
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	1,151,117		1,151,117
Supplies	45,402		45,402
Purchased and Contracted Services	205,240	70,902	276,142
Library Materials and Information	425,352		425,352
Other Objects	5,418		5,418
Capital Outlay	169,932	392,047	561,979
 Total Cash Disbursements	 2,002,461	 462,949	 2,465,410
 Total Cash Receipts Over/(Under) Cash Disbursements	 277,050	 (462,949)	 (185,899)
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		593,713	593,713
Transfers-Out	(593,713)		(593,713)
 Total Other Financing Receipts/(Disbursements)	 (593,713)	 593,713	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 (316,663)	 130,764	 (185,899)
 Fund Cash Balances, January 1	 416,689	 837,550	 1,254,239
 <b>Fund Cash Balances, December 31</b>	 <b>\$ 100,026</b>	 <b>\$ 968,314</b>	 <b>\$ 1,068,340</b>

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



**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Nelsonville Public Library, Athens 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. The Board is appointed by the Nelsonville-York City School District Board of Education. The Library provides library services to all residents of Athens County.

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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant Capital Projects Fund:

Property Improvement Fund- This fund receives transfers of funds from the General Fund. This is to be used to pay for library building improvements.

**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000 AND 1999  
(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 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 canceled, and reappropriated in the subsequent year.

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.

**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

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

**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	\$ 101,543	\$ 418,315
Petty Cash	<u>25</u>	<u>25</u>
Total deposits	101,568	418,340
Certificates of Deposit	<u>700,000</u>	<u>650,000</u>
Total investments	<u>700,000</u>	<u>650,000</u>
Total deposits and investments	<u><u>\$ 801,568</u></u>	<u><u>\$ 1,068,340</u></u>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Library.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2000 and December 31, 1999 was as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,379,889	\$ 2,415,026	\$ 35,137
Capital Projects	<u>191,370</u>	<u>191,370</u>	<u>0</u>
Total	<u><u>\$ 2,571,259</u></u>	<u><u>\$ 2,606,396</u></u>	<u><u>\$ 35,137</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,479,889	\$ 2,365,026	\$ 114,863
Capital Projects	<u>639,500</u>	<u>508,142</u>	<u>131,358</u>
Total	<u><u>\$ 3,119,389</u></u>	<u><u>\$ 2,873,168</u></u>	<u><u>\$ 246,221</u></u>

**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,156,870	\$ 2,279,511	\$ 122,641
Capital Projects	<u>593,713</u>	<u>593,713</u>	<u>0</u>
Total	<u>\$ 2,750,583</u>	<u>\$ 2,873,224</u>	<u>\$ 122,641</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,573,559	\$ 2,596,174	\$ (22,615)
Capital Projects	<u>768,000</u>	<u>462,949</u>	<u>305,051</u>
Total	<u>\$ 3,341,559</u>	<u>\$ 3,059,123</u>	<u>\$ 282,436</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. RETIREMENT SYSTEM**

The Library's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement 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, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Library has paid all contributions required through December 31, 2000.

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Employee Dishonesty



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

Nelsonville Public Library  
Athens County  
95 West Washington Street  
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of the Nelsonville Public Library, Athens County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 16, 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* in the accompanying Schedule of Findings as item 2000-00705-001 .

**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. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Library in a separate letter dated March 16, 2001.

Nelsonville Public Library  
Athens 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 the 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 16, 2001

**NELSONVILLE PUBLIC LIBRARY  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2000-00705-001**

**Finding Repaid Under Audit**

The Library contracted with Hoon, Inc. for the building of a new Library. The total contract amount was \$373,388.53 The Library paid the company \$374,892.40. This is a total overpayment of \$1,503.87.

Company	Total Due	Amount Paid	Total Over Payment
Hoon, Inc.	\$373,388.53	\$374,892.40	\$1,503.87

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is issued for monies illegally expended against Hoon, Inc., Robert Crawford, Clerk, and Bruce Rogers, President of the Board, jointly and severally, with the Cincinnati Insurance Company, their bonding company, in favor of the Permanent Improvement Fund of the Library.

As of March 15, 2001, Hoon, Inc. had reimbursed the Library in full.







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OFFICE OF THE AUDITOR

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**NELSONVILLE PUBLIC LIBRARY**

**ATHENS 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**