



**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
MEIGS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Meigs County District Public Library  
Meigs County  
216 West Main Street  
Pomeroy, Ohio 45769

To the Board of Trustees:

We have audited the accompanying financial statements of the Meigs County District Public Library, Meigs County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 cash balances of the Meigs County District Public Library, Meigs County, 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*, we have also issued our report dated March 27, 2000 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.

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 27, 2000



**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
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> |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                             |   |
| Government Grants-In-Aid   | \$858,706                      | \$                          | \$858,706                               |
| Patron Fines and Fees  | 13,214                         |                             | 13,214                                  |
| Earnings on Investments  | 37,307                         |                             | 37,307                                  |
| Contributions, Gifts, and Donations  | 2,512                          |                             | 2,512                                   |
| Other Revenue  | 25,169                         |                             | 25,169                                  |
|  | <hr/>                          |                             | <hr/>                                   |
| Total Cash Receipts  | 936,908                        | 0                           | 936,908                                 |
|  | <hr/>                          |                             | <hr/>                                   |
| <b>Cash Disbursements:</b>   |                                |                             |   |
| Current:   |                                |                             |   |
| Employee Fringe Benefits   | 468,123                        |                             | 468,123                                 |
| Purchased and Contracted Services  | 101,717                        |                             | 101,717                                 |
| Library Materials and Information  | 83,412                         |                             | 83,412                                  |
| Capital Outlay   | 22,444                         | 41,784                      | 64,228                                  |
| Other Objects  | 28,619                         |                             | 28,619                                  |
|  | <hr/>                          |                             | <hr/>                                   |
| Total Cash Disbursements   | 704,315                        | 41,784                      | 746,099                                 |
|  | <hr/>                          |                             | <hr/>                                   |
| Total Receipts Over/(Under) Disbursements  | 232,593                        | (41,784)                    | 190,809                                 |
|  | <hr/>                          |                             | <hr/>                                   |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                |                             |   |
| Sale of Assets   | 5,060                          |                             | 5,060                                   |
| Transfers-In   |                                | 175,000                     | 175,000                                 |
| Transfers-Out  | (175,000)                      |                             | (175,000)                               |
|  | <hr/>                          |                             | <hr/>                                   |
| Total Other Financing Receipts/(Disbursements)   | (169,940)                      | 175,000                     | 5,060                                   |
|  | <hr/>                          |                             | <hr/>                                   |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Disbursements | 62,653                         | 133,216                     | 195,869                                 |
|  | <hr/>                          |                             | <hr/>                                   |
| Fund Cash Balances, January 1  | 31,773                         | 662,337                     | 694,110                                 |
|  | <hr/>                          |                             | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>   | <b><u>\$94,426</u></b>         | <b><u>\$795,553</u></b>     | <b><u>\$889,979</u></b>                 |

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

**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

|   | <u>Governmental Fund Types</u> |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------------|-----------------------------|---|
|   | <u>General</u>                 | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>   |                                |                             |   |
| Government Grants-In-Aid  | \$820,260                      | \$                          | \$820,260                               |
| Patron Fines and Fees   | 11,000                         |                             | 11,000                                  |
| Earnings on Investments   | 38,898                         |                             | 38,898                                  |
| Contributions, Gifts, and Donations   | 761                            |                             | 761                                     |
| Other Revenue   | 17,017                         |                             | 17,017                                  |
|   | <hr/>                          |                             | <hr/>                                   |
| Total Cash Receipts   | 887,936                        | 0                           | 887,936                                 |
| <b>Cash Disbursements:</b>  |                                |                             |   |
| Current:  |                                |                             |   |
| Employee Fringe Benefits  | 376,265                        |                             | 376,265                                 |
| Supplies  | 16,869                         |                             | 16,869                                  |
| Purchased and Contracted Services   | 88,797                         |                             | 88,797                                  |
| Library Materials and Information   | 113,237                        |                             | 113,237                                 |
| Capital Outlay  | 31,745                         | 333,435                     | 365,180                                 |
| Other Objects   | 3,291                          |                             | 3,291                                   |
|   | <hr/>                          |                             | <hr/>                                   |
| Total Cash Disbursements  | 630,204                        | 333,435                     | 963,639                                 |
|   | <hr/>                          |                             | <hr/>                                   |
| Total Receipts Over/(Under) Disbursements   | 257,732                        | (333,435)                   | (75,703)                                |
| <b>Other Financing Receipts/(Disbursements):</b>  |                                |                             |   |
| Transfers-In  |                                | 250,000                     | 250,000                                 |
| Transfers-Out   | (250,000)                      |                             | (250,000)                               |
|   | <hr/>                          |                             | <hr/>                                   |
| Total Other Financing Receipts/(Disbursements)  | (250,000)                      | 250,000                     | 0                                       |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing Disbursements</b> |                                |                             |   |
|   | 7,732                          | (83,435)                    | (75,703)                                |
|   | <hr/>                          |                             | <hr/>                                   |
| Fund Cash Balances, January 1   | 24,041                         | 745,772                     | 769,813                                 |
|   | <hr/>                          |                             | <hr/>                                   |
| <b>Fund Cash Balances, December 31</b>  | <b><u>\$31,773</u></b>         | <b><u>\$662,337</u></b>     | <b><u>\$694,110</u></b>                 |

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



**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Meigs County District Public Library, Meigs 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 six-member Board of Trustees. The Library provides the community with various educational and literary resources. The Library is associated with the Ohio Valley Area Libraries which is defined as a jointly governed organization. This organization is described in Note 7.

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.

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 are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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 Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects.

**E. Budgetary Process**

The Ohio Administrative Code requires annual budgeting.

**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

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

**E. Budgetary Process (Continued)**

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or 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 canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 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 AND INVESTMENTS**

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

|                                | <u>1999</u>             | <u>1998</u>             |
|--------------------------------|-------------------------|-------------------------|
| Demand deposits                | \$37,337                | \$50,702                |
| Certificates of deposit        | <u>309,273</u>          | <u>102,021</u>          |
| Total deposits                 | <u>346,610</u>          | <u>152,723</u>          |
| STAR Ohio                      | <u>543,369</u>          | <u>541,387</u>          |
| Total investments              | <u>543,369</u>          | <u>541,387</u>          |
| Total deposits and investments | <u><u>\$889,979</u></u> | <u><u>\$694,110</u></u> |

**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

| 1999 Budgeted vs. Actual Receipts |                      |                    |                 |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance        |
| General                           | <u>\$929,498</u>     | <u>\$941,968</u>   | <u>\$12,470</u> |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                  |
|---|----------------------------|---------------------------|------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
| General   | \$929,498                  | \$704,315                 | \$225,183        |
| Capital Projects                                      | <u>662,337</u>             | <u>41,784</u>             | <u>620,553</u>   |
| Total   | <u>\$1,591,835</u>         | <u>\$746,099</u>          | <u>\$845,736</u> |

| 1998 Budgeted vs. Actual Receipts |                      |                    |                  |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance         |
| General                           | <u>\$763,780</u>     | <u>\$887,936</u>   | <u>\$124,156</u> |

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                  |
|---|----------------------------|---------------------------|------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance         |
| General   | \$897,041                  | \$630,204                 | \$266,837        |
| Capital Projects                                      | <u>745,773</u>             | <u>333,435</u>            | <u>412,338</u>   |
| Total   | <u>\$1,642,814</u>         | <u>\$963,639</u>          | <u>\$679,175</u> |

It is not the Library's policy to appropriate for transfers or advances. As a result, the above stated actual receipts and budgetary expenditures do not reflect the advances in or advances out stated on the accompanying financial statements.

**MEIGS COUNTY DISTRICT PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**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.

**5. 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. The Library has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**7. JOINTLY GOVERNED ORGANIZATION**

The Ohio Valley Area Libraries (OVAL) is an area library service organization created and governed according to the provisions of Sections 3375.70 through 3375.73, Revised Code. OVAL is composed of autonomous public libraries in the Ohio counties of Athens, Hocking, Jackson, Lawrence, Meigs, Pike, Ross, Scioto, and Vinton. OVAL's Board of Trustees consists of one Trustee from each of the member libraries. The Meigs County District Public Library's control over budgeting and financing of OVAL is limited to its voting authority and its representation on OVAL's Board of Trustees.



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

Meigs County District Public Library  
Meigs County  
216 West Main Street  
Pomeroy, Ohio 45769

To the Board of Trustees:

We have audited the accompanying financial statements of the Meigs County District Public Library, Meigs County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 27, 2000. 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated March 27, 2000.

Meigs County District Public Library  
Meigs 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 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 27, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MEIGS COUNTY DISTRICT PUBLIC LIBRARY**

**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 23, 2000**