



**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Dr. Samuel L. Bossard Memorial Library
Gallia County
7 Spruce Street
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of the Dr. Samuel L. Bossard Memorial Library, Gallia 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, the combined fund cash balances and reserves for encumbrances of the Dr. Samuel L. Bossard Memorial Library, Gallia 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 April 2, 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

April 2, 2001

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**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

**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**

	<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:				
Taxes	\$154,417	\$	\$	\$154,417
Other Governments Grants-In-Aid	1,261,229			1,261,229
Patron Fines and Fees	46,567			46,567
Earnings on Investments	44,314	19,425	441	64,180
Contributions, Gifts and Donations	9,377		7,509	16,886
Miscellaneous Receipts	1,883			1,883
Total Cash Receipts	<u>1,517,787</u>	<u>19,425</u>	<u>7,950</u>	<u>1,545,162</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	702,942			702,942
Supplies	54,885			54,885
Purchased and Contracted Services	137,061			137,061
Library Materials and Information	317,233			317,233
Other Objects	10,062			10,062
Capital Outlay	42,979			42,979
Total Cash Disbursements	<u>1,265,162</u>	<u>0</u>	<u>0</u>	<u>1,265,162</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>252,625</u>	<u>19,425</u>	<u>7,950</u>	<u>280,000</u>
Other Financing Sources/(Uses):				
Transfers-In		289,290		289,290
Transfers-Out	(289,290)			(289,290)
Total Other Financing Sources/(Uses)	<u>(289,290)</u>	<u>289,290</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	<u>(36,665)</u>	<u>308,715</u>	<u>7,950</u>	<u>280,000</u>
Fund Cash Balances, January 1	<u>363,533</u>	<u>336,518</u>	<u>12,470</u>	<u>712,521</u>
Fund Cash Balances, December 31	<u>\$326,868</u>	<u>\$645,233</u>	<u>\$20,420</u>	<u>\$992,521</u>
Reserves for Encumbrances, December 31	<u>\$54,261</u>	<u>\$0</u>	<u>\$0</u>	<u>\$54,261</u>

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

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

**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**

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Expendable</u> <u>Trust</u>	
Cash Receipts:				
Taxes	\$167,880	\$	\$	\$167,880
Other Governments Grants-In-Aid	1,169,754			1,169,754
Patron Fines and Fees	50,231			50,231
Earnings on Investments	35,195	13,549	336	49,080
Contributions, Gifts and Donations	3,565		4,940	8,505
Miscellaneous Receipts	1,013			1,013
Total Cash Receipts	1,427,638	13,549	5,276	1,446,463
Cash Disbursements:				
Current:				
Salaries and Benefits	699,605			699,605
Supplies	49,771			49,771
Purchased and Contracted Services	130,017			130,017
Library Materials and Information	280,405		1,999	282,404
Other Objects	4,525			4,525
Capital Outlay	118,884			118,884
Total Cash Disbursements	1,283,207	0	1,999	1,285,206
Total Cash Receipts Over/(Under) Cash Disbursements	144,431	13,549	3,277	161,257
Other Financing Sources/(Uses):				
Transfers-In		57,145		57,145
Transfers-Out	(57,145)			(57,145)
Total Other Financing Sources/(Uses)	(57,145)	57,145	0	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	87,286	70,694	3,277	161,257
Fund Cash Balances, January 1	276,247	265,824	9,193	551,264
Fund Cash Balances, December 31	\$363,533	\$336,518	\$12,470	\$712,521
Reserves for Encumbrances, December 31	\$90,544	\$0	\$0	\$90,544

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

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Dr. Samuel L. Bossard Memorial Library, Gallia 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 an appointed seven-member Board of Trustees.

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

Cash accounts are valued at cost. The Library had no investments other than STAROhio and mutual funds, which 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 by law or contract to be restricted.

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:

Building and Repair Fund - This fund receives money for building maintenance and grounds improvement.

3. Fiduciary Fund (Trust Fund)

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 trust, the fund is classified as a nonexpendable trust fund., Other trust funds are classified as expendable. The Library's trust fund is classified as an expendable trust fund.

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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, 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.

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:

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>2000</u>	<u>1999</u>
Demand deposits	\$66,518	\$218,388
Petty Cash	160	160
Total deposits	<u>66,678</u>	<u>218,548</u>
STAROhio	925,843	493,973
Total investments	<u>925,843</u>	<u>493,973</u>
Total deposits and investments	<u>\$992,521</u>	<u>\$712,521</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAROhio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

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	\$1,513,612	\$1,517,787	\$4,175
Capital Projects	7,000	308,715	301,715
Fiduciary	324	7,950	7,626
Total	<u>\$1,520,936</u>	<u>\$1,834,452</u>	<u>\$313,516</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,721,090	\$1,608,713	\$112,377
Capital Projects			0
Fiduciary			0
Total	<u>\$1,721,090</u>	<u>\$1,608,713</u>	<u>\$112,377</u>

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,423,802	\$1,427,638	\$3,836
Capital Projects	12,261	70,694	58,433
Fiduciary	4,314	5,276	962
Total	<u>\$1,440,377</u>	<u>\$1,503,608</u>	<u>\$63,231</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,557,235	\$1,430,896	\$126,339
Capital Projects	12,000		12,000
Fiduciary	3,000	1,999	1,001
Total	<u>\$1,572,235</u>	<u>\$1,432,895</u>	<u>\$139,340</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.

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.

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

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

5. RETIREMENT SYSTEM

All Library employees and the Board of Trustees belong to the Public Employees Retirement System of Ohio (PERS). 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 through June 30, 2000. Effective July 1, 2000, the employers' contribution rate decreased to 8.13% of the 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
- Errors and omissions

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

Dr. Samuel L. Bossard Memorial Library
Gallia County
7 Spruce Street
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of the Dr. Samuel L. Bossard Memorial Library, Gallia County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 2, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-00727-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also 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 April 2, 2001.

Dr. Samuel L. Bossard Memorial Library
Gallia 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

April 2, 2001

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA 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 2000-00727-001

Reportable Condition

The Library has a policy of encumbering funds through the use of a purchase order prior to incurring a commitment. It is at this time that the Treasurer certifies the availability of funds. However, it was noted during testing that numerous liabilities and open purchase commitments were not certified by the Treasurer or encumbered on the UAN system until the time of payment. These commitments were not subsequently approved by the Board.

We recommend monies be encumbered and a purchase order created on the UAN system prior to a financial commitment for a product or service is incurred.

**DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY
GALLIA COUNTY**

**CORRECTIVE ACTION PLAN
DECEMBER 31, 2000 AND 1999**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-00727-001	Treasurer intends to certify funds to verify the availability of funds. Treasurer intends to have all commitments approved by the Board	December 31, 2001	Debbie Saunders, Treasurer



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DR. SAMUEL L. BOSSARD MEMORIAL LIBRARY

GALLIA 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 17, 2001**