



**WORCH MEMORIAL PUBLIC LIBRARY  
DARKE COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**WORCH MEMORIAL PUBLIC LIBRARY  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Worch Memorial Public Library  
Darke County  
161 East Main Street  
Versailles, Ohio 45380

To the Board of Trustees:

We have audited the accompanying financial statements of the Worch Memorial Public Library, Darke County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 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 fund cash balances and reserves for encumbrances of the Library as of December 31, 1999 and December 31, 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 June 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 27, 2000

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**WORCH MEMORIAL 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Other Government Grants-In-Aid	\$350,850	\$0	\$350,850
Patron Fines and Fees	8,092		8,092
Earnings on Investments	47,072		47,072
Contributions, Gifts and Donations	552		552
Miscellaneous Receipts	582		582
	<u>407,148</u>	<u>0</u>	<u>407,148</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	133,153		133,153
Supplies	7,499		7,499
Purchased and Contracted Services	34,164		34,164
Library Materials and Information	50,824		50,824
Other Objects	1,492		1,492
Capital Outlay	5,454		5,454
	<u>232,586</u>	<u>0</u>	<u>232,586</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>174,562</u>	<u>0</u>	<u>174,562</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		100,000	100,000
Transfers-Out	(100,000)		(100,000)
	<u>(100,000)</u>	<u>100,000</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	74,562	100,000	174,562
Fund Cash Balances, January 1	<u>71,309</u>	<u>964,863</u>	<u>1,036,172</u>
<b>Fund Cash Balances, December 31</b>	<u>\$145,871</u>	<u>\$1,064,863</u>	<u>\$1,210,734</u>
Reserves for Encumbrances, December 31	<u>\$11,975</u>	<u>\$0</u>	<u>\$11,975</u>

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

**WORCH MEMORIAL 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 (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Other Government Grants-In-Aid	\$499,326		\$499,326
Patron Fines and Fees	9,454		9,454
Earnings on Investments	38,527		38,527
Contributions, Gifts and Donations	66	19,500	19,566
Miscellaneous Receipts	911		911
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	548,284	19,500	567,784
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	127,001		127,001
Supplies	7,078		7,078
Purchased and Contracted Services	20,638		20,638
Library Materials and Information	49,182		49,182
Other Objects	1,167		1,167
Capital Outlay	2,850	19,500	22,350
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	207,916	19,500	227,416
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	340,368	0	340,368
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	1,265		1,265
Transfers-In		400,000	400,000
Transfers-Out	(400,000)		(400,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(398,735)	400,000	1,265
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(58,367)	400,000	341,633
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	129,676	564,863	694,539
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>
	\$71,309	\$964,863	\$1,036,172
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$2,934	\$0	2,934

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



**WORCH MEMORIAL PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Worch Memorial Public Library, Darke 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 a School District Library as defined by Section 3375.14, Ohio Revised Code. The Library is directed by a seven-member Board of Trustees appointed by the Versailles School District Board of Education. 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**

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 deposits 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 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 fund:

Building and Repairs Fund - This fund is used to account for upgrades and repairs to the Library.

**WORCH MEMORIAL PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

(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, account 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 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 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>1999</u>	<u>1998</u>
Demand deposits	\$610,734	\$118,172
Certificates of deposit	<u>0</u>	<u>318,000</u>
Total deposits	<u>610,734</u>	<u>436,172</u>
STAR Ohio	<u>600,000</u>	<u>600,000</u>
Total investments	<u>600,000</u>	<u>600,000</u>
Total deposits and investments	<u><u>\$1,210,734</u></u>	<u><u>\$1,036,172</u></u>

**WORCH MEMORIAL PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

(Continued)

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

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

**Investments:** Investments in STAR Ohio 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, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$354,500	\$407,148	\$52,648
Capital Projects	0	100,000	100,000
Total	\$354,500	\$507,148	\$152,648

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$384,934	\$344,561	\$40,373
Capital Projects	600,000	0	600,000
Total	\$984,934	\$344,561	\$640,373

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$444,100	\$549,549	\$105,449
Capital Projects	219,500	419,500	200,000
Total	\$663,600	\$969,049	\$305,449

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$643,200	\$610,850	\$32,350
Capital Projects	100,000	19,500	80,500
Total	\$743,200	\$630,350	\$112,850

**WORCH MEMORIAL PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

(Continued)

**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 from a private carrier for the following risks:

- Property Coverage - Building & Contents
- Commercial General Liability
- Electronic Data Processing
- Valuable Papers
- Boiler & Machinery



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

Worch Memorial Public Library  
Darke County  
161 East Main Street  
Versailles, Ohio 45380

To the Board of Trustees:

We have audited the accompanying financial statements of the Worch Memorial Public Library, Darke County, Ohio (the Library), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 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 is required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated June 27, 2000.

**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 June 27, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 27, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

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**WORCH MEMORIAL PUBLIC LIBRARY**

**DARKE 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  
AUGUST 24, 2000**