



**AMOS MEMORIAL LIBRARY
SHELBY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Amos Memorial Public Library
Shelby County
230 E. North Street
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of Amos Memorial Public Library, Shelby County (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 described 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 Amos Memorial Public Library, Shelby 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 a report dated April 3, 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, Board of Trustees, and other officials authorized to receive this report under Section 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 3, 2001

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

	Governmental Fund Type			Fudiciary Fund Type	TOTAL (Memorandum Only)
	General	Special Revenue	Capital Project	Expendable Trust	
Revenue Receipts					
State Income Taxes	\$1,893,751				\$1,893,751
Patron Fines and Fees	28,011				28,011
Earnings on Investments	179,044	\$13,742			192,786
Contributions, Gifts and Donations	4,537				4,537
Miscellaneous	7,867				7,867
Total Cash Receipts	2,113,210	13,742			2,126,952
Expenditure Disbursements					
Salaries and Benefits	900,731				900,731
Supplies	50,718				50,718
Purchased and Contracted Services	278,867				278,867
Library Materials & Information	329,975				329,975
Capital Outlay	56,125			\$1,015	57,140
Miscellaneous	5,819				5,819
Total Cash Disbursements	1,622,235			1,015	1,623,250
Total Receipts Over/(Under) Disbursements	490,975	13,742		(1,015)	503,702
Other Financial Sources (Uses)					
Operating Transfers In			\$264,923	264,923	529,846
Operating Transfers Out	(529,846)				(529,846)
Total Other Financial Sources (Uses)	(529,846)		264,923	264,923	
Total Receipts and Other Sources Over/(Under) Disbursements and Other Uses	(38,871)	13,742	264,923	263,908	503,702
Fund Cash Balances, January 1, 2000	1,187,142	214,963	291,556	712,310	2,405,971
Fund Cash Balances, December 31, 2000	\$1,148,271	\$228,705	\$556,479	\$976,218	\$2,909,673
Reserve for Encumbrances, December 31	\$216,388	\$0	\$0	\$6,737	\$223,125

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

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

	Governmental Fund Type			Fudiciary Fund Type	TOTAL (Memorandum Only)
	General	Special Revenue	Capital Project	Expendable Trust	
Revenue Receipts					
State Income Taxes	\$1,754,227				\$1,754,227
Patron Fines and Fees	29,464				29,464
Earnings on Investments	124,243	\$12,616			136,859
Contributions, Gifts and Donations	8,750				8,750
Miscellaneous	10,008				10,008
Total Cash Receipts	1,926,692	12,616			1,939,308
Expenditure Disbursements					
Salaries and Benefits	872,067				872,067
Supplies	52,122	261			52,383
Purchased and Contracted Services	223,283				223,283
Library Materials & Information	282,772				282,772
Capital Outlay	134,338		\$45,000	\$10,541	189,879
Miscellaneous	5,568				5,568
Total Cash Disbursements	1,570,150	261	45,000	10,541	1,625,952
Total Receipts Over/(Under) Disbursements	356,542	12,355	(45,000)	(10,541)	313,356
Other Financial Sources (Uses)					
Operating Transfers In			28,783	28,783	57,566
Operating Transfers Out	(57,566)				(57,566)
Total Other Financial Sources (Uses)	(57,566)		28,783	28,783	
Total Receipts and Other Sources Over/(Under) Disbursements and Other Uses	298,976	12,355	(16,217)	18,242	313,356
Fund Cash Balances, January 1, 1999	888,166	202,608	307,773	694,068	2,092,615
Fund Cash Balances, December 31, 1999	\$1,187,142	\$214,963	\$291,556	\$712,310	\$2,405,971
Reserve for Encumbrances, December 31	\$446,497	\$0	\$0	\$7,752	\$454,249

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

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Amos Memorial Public Library of Shelby 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. The Board is comprised of seven citizens appointed by the Sidney City School District Board of Education. The Library provides general services regarding books, periodicals, videos, and other items to the citizens in the city and surrounding area.

Blended Component Unit

A blended component unit is where the component unit's governing body is substantially the same as the primary government's governing body or the component unit provides services entirely or almost entirely to the primary government or otherwise exclusively, or almost exclusively benefits the primary government.

The Sidney Library Foundation (the "Foundation") meets the criteria of a blended component unit of the Library. The financial activity of the Foundation has been included in the financial statements of the Library as a Special Revenue Fund.

The Library's management believes these financial statements present all activities for which the Library's 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 a payment is made 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

Certificate of deposits, money market funds, mutual funds, and STAR Ohio are valued at cost. The investment in STAR Ohio is valued at amounts reported by the State Treasurer. Investments are reported as assets. Accordingly, purchases of investments are not reflected 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.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Special Revenue Fund:

Library Foundation Fund - This is used to account for the operations of the Library Foundation which are under Board control but are not used for the day to day operations of the Library. This constitutes a blended component unit.

3. Capital Project Fund:

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 has the following capital project fund:

Technology Fund - This fund receives monies from the transfer of funds from the General Fund, and donations from citizens and businesses in the surrounding area to be used for the purchase of automated equipment and programs for the library.

4. Fiduciary Funds (Trust Funds):

Trust funds are used to account for resources restricted by legally binding trust agreements. The Library has the following significant fiduciary funds:

Amos Trust Fund - Expendable trust fund. This fund receives monies from donations from the Amos family which are kept in trust to be used for future technology or improvements.

Harshbarger Trust Fund - Expendable trust fund. This fund received monies from a donation by the Harshbarger family which are kept in trust to be used for future technology or improvements.

Christian Trust Fund - Expendable trust fund. This fund received monies from a donation from M. Christian which are kept in trust to be used for future technology or improvements.

Graham Trust Fund - Expendable trust fund. This fund received monies from a donation from E. Graham which are kept in trust to be used for future technology or improvements.

Simons Trust Fund - Expendable trust fund. This fund received monies from a donation from T. B. Simons which are kept in trust to be used for future technology or improvements.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 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 level of control, and appropriations may not exceed estimated resources. 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 individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated in 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 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.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 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.

Cash on Hand -The Library maintained cash on hand of \$440 as of December 31, 2000 and 1999.

The carrying amount of cash and investments at December 31 was as follows:

	2000	1999
Demand Deposits	\$1,289,596	\$928,660
Money Market Accounts	8,158	7,708
Mutual Fund Investments	970,499	866,787
STAR Ohio	<u>640,980</u>	<u>602,376</u>
Total Deposits & Investments	<u>\$2,909,233</u>	<u>\$2,405,531</u>

Deposits - Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) covered by collateral held third party trustees pursuant to Ohio Rev Code Section 135.181, in collateral pools securing all public funds on deposit with specific depository institutions.

Investments - At year end, the Library has invested in STAR Ohio and mutual funds. Investments in STAR Ohio 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, excluding the activity if the Special Revenue Fund - Library Foundation (the blended component unit) which is not required to be budgeted, was as follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,889,628	\$2,113,210	\$223,582
Capital Projects	0	264,923	264,923
Expendable Trust	<u>0</u>	<u>264,923</u>	<u>264,923</u>
Total	<u>\$1,889,628</u>	<u>\$2,643,056</u>	<u>\$753,428</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,368,469	\$2,368,469	0
Expendable Trust	<u>7,752</u>	<u>7,752</u>	<u>0</u>
Total	<u>\$2,376,221</u>	<u>\$2,376,221</u>	<u>\$ 0</u>

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,880,197	\$1,926,692	\$46,495
Capital Projects	0	28,783	28,783
Expendable Trust	<u>0</u>	<u>28,783</u>	<u>28,783</u>
Total	<u>\$1,880,197</u>	<u>\$1,984,258</u>	<u>\$ 104,061</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,074,108	\$2,074,213	(\$105)
Capital Projects	45,000	45,000	0
Expendable Trust	<u>18,292</u>	<u>18,293</u>	<u>(1)</u>
Total	<u>\$2,137,400</u>	<u>\$2,137,506</u>	<u>(\$106)</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 SYSTEMS

The Library's full-time 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 health care, 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 for January 1999 through June 2000 and an amount equal to 8.13% of participant's gross salary for July through December 2000. The Library has paid all contributions required through December 31, 2000.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Officials' Liability
- Errors or omissions

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



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

Amos Memorial Public Library
Shelby County
230 E. North Street
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the financial statements of Amos Memorial Public Library, Shelby County (the "Library"), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 3, 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 a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated April 3, 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 an opinion 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 weakness. 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 April 3, 2001.

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

April 3, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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AMOS MEMORIAL PUBLIC LIBRARY

SHELBY 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 8, 2001**