



**BLUFFTON-RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Bluffton - Richland Public Library
Allen County
145 South Main Street
Bluffton, Ohio 45817

To the Board of Trustees:

We have audited the accompanying financial statements of the Bluffton - Richland Public Library, Allen 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 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 Library 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 14, 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.

Bluffton - Richland Public Library
Allen County
Report of Independent Accountants
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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 14, 2001

**BLUFFTON-RICHLAND PUBLIC LIBRARY
ALLEN 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**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$55,986		\$55,986
Other Government Grants-In-Aid	302,167		302,167
Patron Fines and Fees	5,866		5,866
Earnings on Investments	3,717	\$26,503	30,220
Contributions, Gifts and Donations	564	108	672
Miscellaneous Receipts	2,972	4,200	7,172
Total Cash Receipts	371,272	30,811	402,083
Cash Disbursements:			
Current:			
Salaries and Benefits	170,617		170,617
Supplies	7,123		7,123
Library Materials and Information	54,511		54,511
Purchased and Contracted Services	38,806	4,794	43,600
Other Objects	7,168		7,168
Capital Outlay	15,874		15,874
Total Cash Disbursements	294,099	4,794	298,893
Total Cash Receipts Over/(Under) Cash Disbursements	77,173	26,017	103,190
Other Financing Receipts/(Disbursements):			
Sale of Surplus Property	2		2
Contingencies	(336)		(336)
Total Other Financing Receipts/(Disbursements)	(334)		(334)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	76,839	26,017	102,856
Fund Cash Balances, January 1, 2000	97,418	380,358	477,776
Fund Cash Balances, December 31, 2000	\$174,257	\$406,375	\$580,632
Reserves for Encumbrances, December 31, 2000	\$6,103	\$0	\$6,103

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

**BLUFFTON-RICHLAND PUBLIC LIBRARY
ALLEN 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**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$46,774		\$46,774
Other Government Grants-In-Aid	284,719		284,719
Patron Fines and Fees	5,514		5,514
Earnings on Investments	4,030	\$14,377	18,407
Contributions, Gifts and Donations	823	18,884	19,707
Miscellaneous Receipts	2,394	4,200	6,594
	<u>344,254</u>	<u>37,461</u>	<u>381,715</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries and Benefits	149,635		149,635
Supplies	8,985		8,985
Library Materials and Information	58,296		58,296
Purchased and Contracted Services	47,616	294	47,910
Other Objects	6,956		6,956
Capital Outlay	30,329		30,329
	<u>301,817</u>	<u>294</u>	<u>302,111</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>42,437</u>	<u>37,167</u>	<u>79,604</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		50,000	50,000
Transfers-Out	(50,000)		(50,000)
	<u>(50,000)</u>	<u>50,000</u>	
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(7,563)	87,167	79,604
Fund Cash Balances, January 1, 1999	<u>104,981</u>	<u>293,191</u>	<u>398,172</u>
Fund Cash Balances, December 31, 1999	<u>\$97,418</u>	<u>\$380,358</u>	<u>\$477,776</u>
Reserves for Encumbrances, December 31, 1999	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bluffton - Richland Public Library, Allen 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 appointed by the Bluffton Exempted Village 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 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. The Library had the following significant capital project fund:

Building Fund - This fund receives interest from STAR OHIO account and rent from the lease of Library real estate.

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 leave in certain circumstances, such as upon leaving employment. Sick leave is not paid 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>2000</u>	<u>1999</u>
Demand deposits	\$73,400	\$95,953
Certificates of deposit	95,000	0
Total deposits	168,400	95,953
STAR Ohio	412,232	381,823
Total deposits and investments	\$580,632	\$477,776

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

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, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$370,481	\$371,274	\$793
Capital Projects	28,561	30,811	2,250
Total	\$399,042	\$402,085	\$3,043

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$446,200	\$300,538	\$145,662
Capital Projects	25,300	4,794	20,506
Total	\$471,500	\$305,332	\$166,168

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$315,373	\$344,254	\$28,881
Capital Projects	19,000	87,461	68,461
Total	\$334,373	\$431,715	\$97,342

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$420,069	\$351,817	\$68,252
Capital Projects	26,000	294	25,706
Total	\$446,069	\$352,111	\$93,958

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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

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.

5. RETIREMENT SYSTEM

The Library's full-time and part-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a State operated cost-sharing, multiple-employer plan. This plan provides retirement benefits to vested employees who are eligible to retire based on years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for comprehensive property, general liability and errors and omissions.

**BLUFFTON - RICHLAND PUBLIC LIBRARY
ALLEN COUNTY**

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

7. LIBRARY FOUNDATIONS

The Library Foundation and Friends of the Library are two civic groups that exist and operate toward the betterment of the Bluffton-Richland Public Library. These organizations are legally separate and are not fiscally dependent upon the Library.

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

Bluffton - Richland Public Library
Allen County
145 South Main Street
Bluffton, Ohio 45817

To the Board of Trustees:

We have audited the accompanying financial statements of the Bluffton - Richland Public Library, Allen County, (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 14, 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated March 14, 2001.

Bluffton - Richland Public Library
Allen 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 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 14, 2001



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BLUFFTON- RICHLAND PUBLIC LIBRARY

ALLEN 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 17, 2001**