



**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Wright Memorial Public Library
Montgomery County
1776 Far Hills Avenue
Oakwood, Ohio 45419

To the Board of Trustees:

We have audited the accompanying financial statements of the Wright Memorial Public Library, Montgomery 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 fund cash balances and reserves for encumbrances of the Wright Memorial Public Library, Montgomery County, as of December 31, 2000 and 1999, 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 May 18, 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 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

May 18, 2001

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
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:				
Property and Other Local Taxes	\$1,788,107			\$1,788,107
Other Government Grants-In-Aid	25,562			25,562
Patron Fines and Fees	53,022			53,022
Earnings on Investments	64,201			64,201
Contributions, Gifts and Donations				0
Miscellaneous Receipts	3,238			3,238
Total Cash Receipts	<u>1,934,130</u>			<u>1,934,130</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	1,012,020			1,012,020
Supplies	58,255			58,255
Purchased and Contracted Services	203,148	5,663		208,811
Library Materials	355,635			355,635
Other Objects	4,845			4,845
Capital Outlay	43,048	53,011		96,059
Total Cash Disbursements	<u>1,676,951</u>	<u>58,674</u>		<u>1,735,625</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>257,179</u>	<u>(58,674)</u>		<u>198,505</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		237,630		237,630
Transfers-Out	(237,630)			(237,630)
Total Other Financing Receipts/(Disbursements)	<u>(237,630)</u>	<u>237,630</u>		<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<u>19,549</u>	<u>178,956</u>	<u>0</u>	<u>198,505</u>
Fund Cash Balances, January 1	<u>201,542</u>	<u>706,863</u>	<u>1,387</u>	<u>909,792</u>
Fund Cash Balances, December 31	<u>\$221,091</u>	<u>\$885,819</u>	<u>\$1,387</u>	<u>\$1,108,297</u>
Reserves for Encumbrances, December 31	<u>\$221,091</u>	<u>\$0</u>	<u>\$0</u>	<u>\$221,091</u>

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

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<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:				
Property and Other Local Taxes	\$1,707,807			\$1,707,807
Other Government Grants-In-Aid	25,326			25,326
Patron Fines and Fees	54,731			54,731
Earnings on Investments	42,234			42,234
Contributions, Gifts and Donations			110	110
Miscellaneous Receipts	5,965			5,965
Total Cash Receipts	1,836,063		110	1,836,173
Cash Disbursements:				
Current:				
Salaries and Benefits	1,030,386			1,030,386
Supplies	49,577			49,577
Purchased and Contracted Services	146,051			146,051
Library Materials	317,354			317,354
Other Objects	4,307			4,307
Capital Outlay	65,364	5,671		71,035
Total Cash Disbursements	1,613,039	5,671		1,618,710
Total Cash Receipts Over/(Under) Cash Disbursements	223,024	(5,671)	110	217,463
Other Financing Receipts/(Disbursements):				
Transfers-In		191,598		191,598
Transfers-Out	(191,598)			(191,598)
Total Other Financing Receipts/(Disbursements)	(191,598)	191,598		0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	31,426	185,927	110	217,463
Fund Cash Balances, January 1	170,116	520,936	1,277	692,329
Fund Cash Balances, December 31	\$201,542	\$706,863	\$1,387	\$909,792
Reserves for Encumbrances, December 31	\$201,542	\$1,500	\$0	\$203,042

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

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wright Memorial Public Library, Montgomery 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 Oakwood City School District. The Library provides the community with various educational and literary resources.

The Library is associated with the Wright Memorial Public Library Foundation (the Foundation). This organization is presented in Note 7 of the financial statements.

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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Repurchase agreement funds are recorded 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.

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Capital Projects 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 capital projects fund:

Capital Improvement Fund - Consists of revenues derived from Board approved transfers from the general fund and expenditures related to equipment purchases, building and land improvements.

3. Fiduciary Funds (Trust and Agency Funds)

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 the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following expendable trust fund:

Endowment Fund - Consists of donations made by citizens to be utilized at the discretion of the Library.

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 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.

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>2000</u>	<u>1999</u>
Demand deposits	(\$25,435)	(\$8,265)
Cash on Hand	200	200
Total deposits	<u>(25,235)</u>	<u>(8,065)</u>
Overnight Repurchase Agreement	62,594	104,799
STAR Ohio	1,070,938	813,058
Total investments	<u>1,133,532</u>	<u>917,857</u>
Total deposits and investments	<u>\$1,108,297</u>	<u>\$909,792</u>

Deposits: The related bank balances for the demand deposits at December 31, 2000 and 1999 were \$28,275 and \$28,953, respectively. Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Repurchase agreement funds are held in book-entry form by the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

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	\$1,936,633	\$1,934,130	(\$2,503)
Capital Projects	570,000	237,630	(332,370)
Fiduciary	1,387	0	(1,387)
Total	\$2,508,020	\$2,171,760	(\$336,260)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,138,175	\$2,135,672	\$2,503
Capital Projects	571,500	58,674	512,826
Fiduciary	1,387	0	1,387
Total	\$2,711,062	\$2,194,346	\$516,716

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,764,281	\$1,836,063	\$71,782
Capital Projects	0	191,598	191,598
Fiduciary	0	110	110
Total	\$1,764,281	\$2,027,771	\$263,490

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,006,179	\$2,006,179	\$0
Capital Projects	520,936	7,171	513,765
Fiduciary	1,377	0	1,377
Total	\$2,528,492	\$2,013,350	\$515,142

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY 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 employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

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 for the period January, 1999 through June, 2000 and an amount equal to 8.13% of participants' gross salaries for July through December, 2000. 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
- Errors and omissions

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

**WRIGHT MEMORIAL PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

7. RELATED ORGANIZATION

Wright Memorial Public Library Foundation - Wright Memorial Public Library Foundation (the Foundation) is a not-for-profit organization. The organization operates exclusively for the purpose of advancing the goals, objectives and priorities of the Wright Memorial Public Library as established by the Board of Trustees of the Library and to receive, hold, invest and administer property, and to make expenditures to or for the exclusive benefit of the Library selected from priorities established by the Library Board.

The Foundation is governed by a five member Board of Trustees consisting of two Library Trustees, the current Library Director and two at-large members. The Foundation Board is a self-perpetuating board. To obtain financial information, write to Antoinette Walder, who serves as the Secretary/Treasurer, at 1776 Far Hills Avenue, Oakwood, Ohio 45419.



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

Wright Memorial Public Library
Montgomery County
1776 Far Hills Avenue
Oakwood, Ohio 45419

To the Board of Trustees:

We have audited the accompanying financial statements of the Wright Memorial Public Library, Montgomery County, (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 18, 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. 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 May 18, 2001.

Wright Memorial Public Library
Montgomery 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

May 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

WRIGHT MEMORIAL PUBLIC LIBRARY

MONTGOMERY 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
JUNE 19, 2001**