



**BELLE CENTER FREE PUBLIC LIBRARY  
LOGAN COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Belle Center Free Public Library  
Logan County  
P.O. Box 336  
103 South Elizabeth Street  
Belle Center, Ohio 43310

To the Board of Trustees:

We have audited the accompanying financial statements of the Belle Center Free Public Library, Logan County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 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 combined fund cash balances and reserves for encumbrances of the Belle Center Free Public Library, Logan County, as of December 31, 1999 and 1998, 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 7, 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, 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 7, 2000

**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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Taxes	\$82,093	\$0	\$82,093
Patron Fines and Fees	834		834
Earnings on Investments	14,896		14,896
Contributions, Gifts and Donations	222		222
Miscellaneous Receipts	205		205
	<hr/>		<hr/>
Total Cash Receipts	98,250	0	98,250
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	23,156		23,156
Supplies	1,877		1,877
Purchased and Contracted Services	4,588		4,588
Library Materials & Information	18,590		18,590
Capital Outlay	1,013		1,013
Other Objects	184		184
	<hr/>		<hr/>
Total Cash Disbursements	49,408	0	49,408
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	48,842	0	48,842
	<hr/>		<hr/>
Fund Cash Balances, January 1	251,388	47,691	299,079
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$300,230</b>	<b>\$47,691</b>	<b>\$347,921</b>
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	\$1,244	\$0	\$1,244
	<hr/>		<hr/>

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

**COMBINED 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Taxes	\$73,732	\$0	\$73,732
Patron Fines and Fees	589		589
Earnings on Investments	13,810		13,810
Contributions, Gifts and Donations	800		800
Miscellaneous Receipts	299		299
<b>Total Cash Receipts</b>	<u>89,230</u>	<u>0</u>	<u>89,230</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	21,996		21,996
Supplies	2,004		2,004
Purchased and Contracted Services	7,649		7,649
Library Materials & Information	20,443		20,443
Capital Outlay	879		879
Other Objects	306		306
<b>Total Cash Disbursements</b>	<u>53,277</u>	<u>0</u>	<u>53,277</u>
Total Cash Receipts Over Cash Disbursements	35,953	0	35,953
Fund Cash Balances, January 1	215,435	47,691	263,126
<b>Fund Cash Balances, December 31</b>	<u><b>\$251,388</b></u>	<u><b>\$47,691</b></u>	<u><b>\$299,079</b></u>
Reserves for Encumbrances, December 31	<u>\$448</u>	<u>\$0</u>	<u>\$448</u>

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



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Belle Center Free Public Library, Logan 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 Benjamin Logan Local 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**

Certificates of deposit are recorded at cost. Common stock is recorded at fair value at the time of donation.

**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's building fund is used to record donations and investment proceeds for future construction projects.

**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 function level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**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.

**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	\$58,196	\$44,354
Certificates of deposit	<u>285,000</u>	<u>250,000</u>
Total deposits	<u>343,196</u>	<u>294,354</u>
Imperial Oil Ltd. common stock	<u>4,700</u>	<u>4,700</u>
Total deposits and investments	<u><u>\$347,896</u></u>	<u><u>\$299,054</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Library.

**Investments:** The Library maintains investments comprised of donated Imperial Oil Ltd. stock, which has been recorded at share value at the time of acquisition. The value at the time of donation was \$4,700.

As of December 31, 1999, and December 31, 1998, the market value of the stock was \$17,304, and \$12,848, respectively.

**Cash on Hand:** The Library maintains \$25.00 in petty cash.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$90,000</u>	<u>\$98,250</u>	<u>\$8,250</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$71,078</u>	<u>\$50,652</u>	<u>\$20,426</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$78,200</u>	<u>\$89,230</u>	<u>\$11,030</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$64,736</u>	<u>\$53,725</u>	<u>\$11,011</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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- General liability
- Property coverage
- Public Officials Liability



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

Belle Center Free Public Library  
Logan County  
P.O. Box 336  
103 South Elizabeth Street  
Belle Center, Ohio 43310

To the Board of Trustees:

We have audited the accompanying financial statements of the Belle Center Free Public Library, Logan County, Ohio (the Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 7, 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 are 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 April 7, 2000.

**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 April 7, 2000.

Belle Center Free Public Library  
Logan County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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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.

**Jim Petro**  
Auditor of State

April 7, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BELLE CENTER FREE PUBLIC LIBRARY**

**LOGAN 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 2, 2000**