



**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Germantown Public Library
Montgomery County
51 North Plum Street
Germantown, Ohio 45327

To the Board of Trustees:

We have audited the accompanying financial statements of the Germantown Public Library, Montgomery County, Ohio, (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 auditing standards generally accepted in the United States of America 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 July 10, 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 § 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

July 10, 2001

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
State Income Taxes	\$945,209		\$945,209
Patron Fines and Fees	17,948		17,948
Earnings on Investments	11,439	\$5,789	17,228
Miscellaneous Receipts	2,134		2,134
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	976,730	5,789	982,519
Cash Disbursements:			
Current:			
Salaries and Benefits	517,932		517,932
Supplies	15,671		15,671
Purchased And Contracted Services	89,394		89,394
Library Materials and Information	144,137		144,137
Other Disbursements	3,615		3,615
Capital Outlay	21,022		21,022
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	791,771	0	791,771
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	184,959	5,789	190,748
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In		50,000	50,000
Transfers-Out	(50,000)		(50,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(50,000)	50,000	0
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	134,959	55,789	190,748
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	232,294	212,864	445,158
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$367,253	\$268,653	\$635,906
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$42,104	\$0	\$42,104
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The notes to the financial statements are an integral part of this statement.

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
NONEXPENDABLE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Disbursements:	
Current:	
Library Materials and Information	\$9,618
Total Operating Cash Disbursements	9,618
Operating Income/(Loss)	(9,618)
Non-Operating Cash Receipts:	
Earnings on Investments	127
Net Receipts Over/(Under) Disbursements	(9,491)
Fund Cash Balances, January 1	20,025
Fund Cash Balances, December 31	\$10,534
Reserves for Encumbrances, December 31	\$0

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

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
State Income Taxes	\$900,672		\$900,672
Patron Fines and Fees	17,221		17,221
Earnings on Investments	9,227	\$5,718	14,945
Miscellaneous Receipts	4,464		4,464
Total Cash Receipts	931,584	5,718	937,302
Cash Disbursements:			
Current:			
Salaries and Benefits	518,398		518,398
Library Materials and Information	163,321		163,321
Supplies	18,645		18,645
Other Disbursements	7,363		7,363
Purchased and Contracted Services	139,414		139,414
Capital Outlay	133,376		133,376
Total Cash Disbursements	980,517	0	980,517
Total Cash Receipts Over/(Under) Cash Disbursements	(48,933)	5,718	(43,215)
Other Financing Receipts/(Disbursements):			
Transfers-In	60,000	174,273	234,273
Transfers-Out	(174,273)	(60,000)	(234,273)
Total Other Financing Receipts/(Disbursements)	(114,273)	114,273	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(163,206)	119,991	(43,215)
Fund Cash Balances, January 1	395,500	92,873	488,373
Fund Cash Balances, December 31	\$232,294	\$212,864	\$445,158
Reserves for Encumbrances, December 31	\$42,368	\$0	\$42,368

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

GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
NONEXPENDABLE TRUST
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Fiduciary Fund Types</u>
	<u>Nonexpendable Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$123
Fund Cash Balances, January 1	<u>19,902</u>
Fund Cash Balances, December 31	<u><u>\$20,025</u></u>

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

**GERMANTOWN 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

Germantown 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 Valley View Local School District. 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.

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 trust funds). The Library had the following significant capital project fund:

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

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

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 significant fiduciary funds:

Ampt Fund - Nonexpendable Trust Fund, where only the interest may be spent for books and reading materials.

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 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:

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

	<u>2000</u>	<u>1999</u>
Demand deposits	\$422,738	\$442,855
Certificates of deposit	<u>223,702</u>	<u>22,328</u>
Total deposits	<u>646,440</u>	<u>465,183</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

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	\$951,709	\$976,730	\$25,021
Capital Projects	5,000	55,789	50,789
Fiduciary	<u>0</u>	<u>127</u>	<u>127</u>
Total	<u>\$956,709</u>	<u>\$1,032,646</u>	<u>\$75,937</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$969,169	\$883,875	\$85,294
Capital Projects	50,000	0	50,000
Fiduciary	<u>0</u>	<u>9,618</u>	<u>(9,618)</u>
Total	<u>\$1,019,169</u>	<u>\$893,493</u>	<u>\$125,676</u>

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$925,594	\$991,584	\$65,990
Capital Projects	3,000	179,991	176,991
Fiduciary	0	123	123
Total	\$928,594	\$1,171,698	\$243,104

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,068,797	\$1,197,158	(\$128,361)
Capital Projects	197,302	60,000	137,302
Fiduciary	19,685	0	19,685
Total	\$1,285,784	\$1,257,158	\$28,626

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

All 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 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. 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 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.

**GERMANTOWN PUBLIC LIBRARY
MONTGOMERY COUNTY**

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

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.

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

Germantown Public Library
Montgomery County
51 North Plum Street
Germantown, Ohio 45327

To the Board of Trustees:

We have audited the accompanying financial statements of the Germantown Public Library, Montgomery County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 10, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 July 10, 2001.

Germantown 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 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

July 10, 2001



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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GERMANTOWN 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
AUGUST 14, 2001**