



**MARY L. COOK PUBLIC LIBRARY  
WARREN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000-1999**



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

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**STATE OF OHIO**



MARY L. COOK PUBLIC LIBRARY  
WARREN COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT

Mary L. Cook Public Library  
Warren County  
381 Old Stage Road  
Waynesville, Ohio 45068

To the Board of Trustees:

We have audited the accompanying financial statements of the Mary L. Cook Public Library, Warren 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 audits.

We conducted our audits 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 audits 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 audits provide 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 May 29, 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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Warren County  
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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 29, 2001

**MARY L. COOK PUBLIC LIBRARY  
WARREN 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**

	<b>General</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
State Library and Government Support Fund	\$689,225	\$0	\$689,225
Patron Fines and Fees	27,866	0	27,866
Earnings on Investments	14,739	41,124	55,863
Contributions, Gifts and Donations	417	1,000	1,417
Miscellaneous Receipts	3,455	0	3,455
	<u>735,702</u>	<u>42,124</u>	<u>777,826</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	311,671	0	311,671
Purchased and Contracted Services	57,679	883	58,562
Other Objects	128,027	548	128,575
Capital Outlay	11,851	197,783	209,634
	<u>509,228</u>	<u>199,214</u>	<u>708,442</u>
Total Cash Disbursements	<u>509,228</u>	<u>199,214</u>	<u>708,442</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>226,474</u>	<u>(157,090)</u>	<u>69,384</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	120,000	120,000
Transfers-Out	(120,000)	0	(120,000)
	<u>(120,000)</u>	<u>120,000</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(120,000)</u>	<u>120,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>106,474</u>	<u>(37,090)</u>	<u>69,384</u>
Fund Cash Balances, January 1	<u>253,930</u>	<u>552,120</u>	<u>806,050</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$360,404</u></b>	<b><u>\$515,030</u></b>	<b><u>\$875,434</u></b>
Reserves for Encumbrances, December 31	<u>\$52,321</u>	<u>\$0</u>	<u>\$52,321</u>

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

**MARY L. COOK PUBLIC LIBRARY  
WARREN 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**

	<b>General</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
State Library and Government Support Fund	\$670,600	\$0	\$670,600
Patron Fines and Fees	28,089	0	28,089
Earnings on Investments	9,370	25,051	34,421
Contributions, Gifts and Donations	780	0	780
Miscellaneous Receipts	318	0	318
 Total Cash Receipts	 709,157	 25,051	 734,208
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	299,699	0	299,699
Purchased and Contracted Services	78,913	33,361	112,274
Other Objects	132,920	58	132,978
Capital Outlay	32,891	12,970	45,861
 Total Cash Disbursements	 544,423	 46,389	 590,812
 Total Cash Receipts Over/(Under) Cash Disbursements	 164,734	 (21,338)	 143,396
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	58,000	58,000
Transfers-Out	(58,000)	0	(58,000)
 Total Other Financing Receipts/(Disbursements)	 (58,000)	 58,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 106,734	 36,662	 143,396
 Fund Cash Balances, January 1	 147,196	 515,457	 662,653
 <b>Fund Cash Balances, December 31</b>	 <b>\$253,930</b>	 <b>\$552,119</b>	 <b>\$806,049</b>
 Reserves for Encumbrances, December 31	 \$25,746	 \$0	 \$25,746

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



**MARY L. COOK PUBLIC LIBRARY  
WARREN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Mary L. Cook Public Library, Warren County, Ohio (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 Wayne Local School Board. 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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit and U.S. Treasury Notes are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer. Mutual funds are recorded at share values reported by the mutual fund.

**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. The Library had the following significant Capital Project Fund:

**MARY L. COOK PUBLIC LIBRARY  
WARREN COUNTY**

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

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

Building Fund - This fund is used to account for disbursements for the construction and maintenance 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, 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:

**MARY L. COOK PUBLIC LIBRARY  
WARREN COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

	<b>2000</b>	<b>1999</b>
Demand deposits	\$33,535	\$29,622
Certificates of deposit	124,347	20,000
Total deposits	157,882	49,622
Money Market Mutual Funds	82,021	76,582
Milestone Treasury Obligations	86,497	168,069
STAR Ohio	549,034	511,776
Total investments	717,552	756,427
Total deposits and investments	\$875,434	\$806,049

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** U.S. Treasury Notes are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. 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 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$709,152	\$735,702	\$26,550
Capital Projects	143,000	162,124	19,124
Total	\$852,152	\$897,826	\$45,674

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$822,609	\$681,549	\$141,060
Capital Projects	672,000	199,214	472,786
Total	\$1,494,609	\$880,763	\$613,846

**MARY L. COOK PUBLIC LIBRARY  
WARREN 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	\$709,379	\$709,157	(\$222)
Capital Projects	77,500	83,051	5,551
Total	\$786,879	\$792,208	\$5,329

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$752,001	\$628,169	\$123,832
Capital Projects	123,560	46,389	77,171
Total	\$875,561	\$674,558	\$201,003

**4. STATE LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND**

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% in 1999 and 10.84% in 2000 of participants' gross salaries. 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
- Vehicles
- Errors and omissions



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Mary L. Cook Public Library  
Warren County  
381 Old Stage Road  
Waynesville, Ohio 45068

To the Board of Trustees:

We have audited the accompanying financial statements of the Mary L. Cook Public Library, Warren County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 29, 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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 29, 2001.

**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 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 May 29, 2001.

Mary L. Cook Public Library  
Warren County  
Report 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

May 29, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**MARY L. COOK PUBLIC LIBRARY**

**WARREN 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  
JULY 12, 2001**