



**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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REPORT OF INDEPENDENT ACCOUNTANTS

North Baltimore Public Library
Wood County
230 North Main Street
North Baltimore, Ohio 45872-1195

To the Board of Trustees:

We have audited the accompanying financial statements of North Baltimore Public Library, Wood 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 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 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.

This report is intended solely for the information and use of the audit committee, management, the 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 14, 2001

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Taxes	\$448,978			\$448,978
Patron Fines and Fees	7,763			7,763
Earnings on Investments	37,596			37,596
Contributions, Gifts and Donations	10,263		\$277,692	287,955
Miscellaneous Receipts	2,282			2,282
	<u>506,883</u>		<u>277,692</u>	<u>784,575</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	223,011			223,011
Supplies	15,272			15,272
Library Materials and Information	66,985			66,985
Purchased and Contracted Services	56,620			56,620
Other Objects	7,941			7,941
Capital Outlay	32,448			32,448
	<u>402,277</u>			<u>402,277</u>
Total Cash Receipts Over Cash Disbursements	<u>104,606</u>		<u>277,692</u>	<u>382,298</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Property	500			500
Transfers-In	65	\$50,000		50,065
Transfers-Out	(50,000)		(65)	(50,065)
	<u>(49,435)</u>	<u>50,000</u>	<u>(65)</u>	<u>500</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	55,171	50,000	277,627	382,798
Fund Cash Balances, January 1	<u>197,342</u>		<u>438</u>	<u>197,780</u>
Fund Cash Balances, December 31	<u>\$252,513</u>	<u>\$50,000</u>	<u>\$278,065</u>	<u>\$580,578</u>
Reserves for Encumbrances, December 31	<u>\$9,632</u>			<u>\$9,632</u>

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

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Taxes	\$416,118			\$416,118
Patron Fines and Fees	8,843			8,843
Earnings on Investments	5,881			5,881
Contributions, Gifts and Donations	5,003			5,003
Miscellaneous Receipts	8,629			8,629
				<hr/>
Total Cash Receipts	444,474			444,474
				<hr/>
Cash Disbursements:				
Current:				
Salaries and Benefits	226,155			226,155
Supplies	14,619			14,619
Library Materials and Information	60,647			60,647
Purchased and Contracted Services	53,184			53,184
Other Objects	7,451			7,451
Debt Service:				
Redemption of Principal		\$45,000		45,000
Interest Payments and Other Financing Fees and Costs		1,744		1,744
Capital Outlay	25,320			25,320
				<hr/>
Total Cash Disbursements	387,376	46,744		434,120
				<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	57,098	(46,744)		10,354
				<hr/>
Other Financing Receipts/(Disbursements):				
Transfers-In		46,744		46,744
Transfers-Out	(46,744)			(46,744)
				<hr/>
Total Other Financing Receipts/(Disbursements)	(46,744)	46,744		
				<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	10,354			10,354
				<hr/>
Fund Cash Balances, January 1	186,988		\$438	187,426
				<hr/>
Fund Cash Balances, December 31	\$197,342		\$438	\$197,780
				<hr/>
Reserves for Encumbrances, December 31	\$21,404			\$21,404
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The notes to the financial statements are an integral part of this statement.

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

North Baltimore Public Library, Wood 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 North Baltimore 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

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. Marketable equity securities received as donations to the expendable trust fund are recorded at the market value at the time of donation. Repurchase agreements 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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness:

Property Note Fund - The Library utilized this fund to account for the payment of a note held with Sky Financial Bank.

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

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

3. Capital Project Funds

This fund is 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 project fund:

Capital Improvement Fund - The Library utilizes this fund to account for the purchase of capital improvements.

4. Fiduciary Funds (Trust 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. The Library had the following significant fiduciary funds:

Restricted Contribution Fund - Receives contributions and donations. Proceeds are used to purchase library materials. This fund had no activity for fiscal years 2000 and 1999.

Bower Estate Fund - Received stock contribution in fiscal year 2000. Proceeds are restricted for a major building program, as defined by the trust agreement.

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.

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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	\$24,653	\$43,352
Certificates of deposit	148,724	
	173,377	43,352
Total deposits		
Repurchase Agreement		53,517
Marketable Equity Securities	277,692	
STAR Ohio	129,509	100,911
	407,201	154,428
Total investments		
Total deposits and investments	\$580,578	\$197,780

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.

Investments: The Ready Resource Savings Account is an agreement between the Library and the financial institution in which certain account balances above a predetermined level are automatically invested in an overnight repurchase agreement. The financial institution maintains records identifying the Library as owner. The Library's marketable equity securities are held in its name. As of December 31, 2000, the marketable equity securities had a market value of \$352,738. The bequest of the marketable equity securities specified that they are not to be sold except for a major building program either as to an entire new building or as to an addition or alteration of the current building. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD 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	\$457,290	\$507,448	\$50,158
Capital Projects		50,000	50,000
Fiduciary		277,692	277,692
Total	\$457,290	\$835,140	\$377,850

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$580,750	\$461,909	\$118,841
Capital Projects			
Fiduciary	438	65	373
Total	\$581,188	\$461,974	\$119,214

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$422,041	\$444,474	\$22,433
Debt Service	46,773	46,744	(29)
Fiduciary			
Total	\$468,814	\$491,218	\$22,404

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$530,662	\$455,524	\$75,138
Debt Service	46,773	46,744	29
Fiduciary			
Total	\$577,435	\$502,268	\$75,167

**NORTH BALTIMORE PUBLIC LIBRARY
WOOD COUNTY**

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

4. 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.

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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. 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.

The Library also provides health insurance, dental coverage, and life insurance 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***

North Baltimore Public Library
Wood County
230 North Main Street
North Baltimore, Ohio 45872-1195

To the Board of Trustees:

We have audited the accompanying financial statements of North Baltimore Public Library, Wood County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 14, 2001. 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.

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 audits 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 14, 2001.

North Baltimore Public Library
Wood 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 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 14, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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NORTH BALTIMORE PUBLIC LIBRARY

WOOD 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 12, 2001**