



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BETTSVILLE PUBLIC LIBRARY
SANDUSKY 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 Fund Types – For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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REPORT OF INDEPENDENT ACCOUNTANTS

Bettsville Public Library
Seneca County
233 State Street
P.O. Box 385
Bettsville, Ohio 44815-0385

To the Board of Trustees:

We have audited the accompanying financial statements of the Bettsville Public Library (the Library) as of and for the years ended December 31, 2001 and 2000. 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, 2001 and 2000, 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 March 22, 2002 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

March 22, 2002

**BETTSVILLE PUBLIC LIBRARY
SENECA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$6,325		\$6,325
Other Government Grants-In-Aid	\$455		\$455
Intergovernmental	145,082		145,082
Patron Fines and Fees	6,561		6,561
Earnings on Investments	7,775		7,775
Contributions, Gifts and Donations	<u>752</u>		<u>752</u>
 Total Cash Receipts	 <u>166,950</u>		 <u>166,950</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	63,239		63,239
Supplies	6,084		6,084
Purchased and Contracted Services	9,449		9,449
Library Materials and Information	35,099		35,099
Other Objects	807		807
Capital Outlay	<u>6,672</u>		<u>6,672</u>
 Total Cash Disbursements	 <u>121,350</u>		 <u>121,350</u>
 Total Cash Receipts Over Cash Disbursements	 <u>45,600</u>		 <u>45,600</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		\$40,000	40,000
Transfers-Out	<u>(40,000)</u>		<u>(40,000)</u>
 Total Other Financing Receipts/(Disbursements)	 <u>(40,000)</u>	 <u>40,000</u>	
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	 5,600	 40,000	 45,600
 Fund Cash Balances, January 1	 <u>104,097</u>	 <u>55,769</u>	 <u>159,866</u>
 Fund Cash Balances, December 31	 <u>\$109,697</u>	 <u>\$95,769</u>	 <u>\$205,466</u>
 Reserves for Encumbrances, December 31	 <u>\$5,392</u>		 <u>\$5,392</u>

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

**BETTSVILLE PUBLIC LIBRARY
SENECA 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:			
Property and Other Local Taxes	\$4,500		\$4,500
Other Government Grants-In-Aid	\$450		\$450
Intergovernmental	141,096		141,096
Patron Fines and Fees	6,729		6,729
Earnings on Investments	7,483		7,483
Contributions, Gifts and Donations	901		901
	<hr/>		<hr/>
Total Cash Receipts	161,159		161,159
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	63,383		63,383
Supplies	9,696		9,696
Purchased and Contracted Services	17,363		17,363
Library Materials and Information	40,267		40,267
Other Objects	736		736
Capital Outlay	8,053		8,053
	<hr/>		<hr/>
Total Cash Disbursements	139,498		139,498
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	21,661		21,661
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In		\$10,000	10,000
Transfers-Out	(10,000)		(10,000)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(10,000)	10,000	
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	11,661	10,000	21,661
Fund Cash Balances, January 1	92,436	45,769	138,205
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$104,097	\$55,769	\$159,866
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$1,586		\$1,586
	<hr/>		<hr/>

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

**BETTSVILLE PUBLIC LIBRARY
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bettsville Public Library, Seneca 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by Bettsville Local School District's 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

Certificates of deposit are valued at cost.

D. Fund Accounting

The Library uses fund accounting to segregate cash that is 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.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

**BETTSVILLE PUBLIC LIBRARY
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. Appropriations

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances may not exceed appropriations at the fund, function, and object level of control.)

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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 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

The Library maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$79,188	\$39,977
Certificates of deposit	<u>126,278</u>	<u>119,889</u>
Total deposits	<u><u>\$205,466</u></u>	<u><u>\$159,866</u></u>

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

**BETTSVILLE PUBLIC LIBRARY
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$268,641	\$166,742	\$101,899
Capital Projects	55,769		55,769
Total	<u>\$324,410</u>	<u>\$166,742</u>	<u>\$157,668</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$144,481	\$161,159	\$16,678
Capital Projects		10,000	10,000
Total	<u>\$144,481</u>	<u>\$171,159</u>	<u>\$26,678</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$236,917	\$151,084	\$85,833
Capital Projects	45,769		45,769
Total	<u>\$282,686</u>	<u>\$151,084</u>	<u>\$131,602</u>

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 based on of any additional revenues the Library receives.

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 payments, the first half is due December 31. The second half payment is due the following June 20.

**BETTSVILLE PUBLIC LIBRARY
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

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.

6. 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. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

7. RISK MANAGEMENT

Commercial Insurance

The Bettsville Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.



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

Bettsville Public Library
Seneca County
233 State Street
P.O. Box 385
Bettsville, Ohio 44815-0385

To the Board of Trustees:

We have audited the accompanying financial statements of the Bettsville Public Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 22, 2002. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated March 22, 2002.

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 March 22, 2002.

Bettsville Public Library
Seneca County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely 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

March 22, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BETTSVILLE PUBLIC LIBRARY

SENECA 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 9, 2002**