



**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Bucyrus Public Library (the Library) as of and for the years ended December 31, 2001, and December 31, 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 December 31, 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 February 27, 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 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

February 27, 2002

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Intergovernmental	\$693,328	\$28,900	\$0	\$0	\$722,228
Patron Fines and Fees	6,075				6,075
Earnings on Investments	58,317		8,732	62,652	129,701
Contributions, Gifts and Donations	3,451			4,260	7,711
Miscellaneous Receipts	19,758				19,758
	<u>780,929</u>	<u>28,900</u>	<u>8,732</u>	<u>66,912</u>	<u>885,473</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	312,017				312,017
Purchased and Contracted Services	82,718				82,718
Other Objects	4,793				4,793
Supplies	34,229				34,229
Library Materials	72,670	1,292		11,941	85,903
Capital Outlay	15,893	18,358			34,251
	<u>522,320</u>	<u>19,650</u>	<u>0</u>	<u>11,941</u>	<u>553,911</u>
Total Cash Disbursements					
Total Cash Receipts Over Cash Disbursements	<u>258,609</u>	<u>9,250</u>	<u>8,732</u>	<u>54,971</u>	<u>331,562</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	673		800,000		800,673
Transfers-Out	(800,000)			(673)	(800,673)
	<u>(799,327)</u>	<u>0</u>	<u>800,000</u>	<u>(673)</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(540,718)</u>	<u>9,250</u>	<u>808,732</u>	<u>54,298</u>	<u>331,562</u>
Fund Cash Balances, January 1	<u>754,354</u>		<u>127,551</u>	<u>1,569,085</u>	<u>2,450,990</u>
Fund Cash Balances, December 31	<u>\$213,636</u>	<u>\$9,250</u>	<u>\$936,283</u>	<u>\$1,623,383</u>	<u>\$2,782,552</u>

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

**B UCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$2,389
Total Operating Cash Receipts	2,389
Operating Cash Disbursements:	
Library Materials	5,268
Capital Outlay	5,530
Total Operating Cash Disbursements	10,798
Operating (Loss)	(8,409)
Non-Operating Cash Receipts:	
Contributions, Gifts and Donations	13,458
Total Non-Operating Cash Receipts	13,458
Excess of Cash Receipts and Non-Operating Cash Receipts Over Cash Disbursements	5,049
Fund Cash Balances, January 1	64,901
Fund Cash Balances, December 31	\$69,950

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Intergovernmental	\$682,763	\$0	\$0	\$0	\$682,763
Patron Fines and Fees	6,689				6,689
Earnings on Investments	44,329		9,668	73,446	127,443
Contributions, Gifts and Donations	2,778			1,386,413	1,389,191
Miscellaneous Receipts	18,500				18,500
Total Cash Receipts	<u>755,059</u>	<u>0</u>	<u>9,668</u>	<u>1,459,859</u>	<u>2,224,586</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	272,075				272,075
Purchased and Contracted Services	115,782				115,782
Other Objects	3,066				3,066
Supplies	23,962				23,962
Library Materials	104,014			283	104,297
Capital Outlay	26,210			14,927	41,137
Total Cash Disbursements	<u>545,109</u>	<u>0</u>	<u>0</u>	<u>15,210</u>	<u>560,319</u>
Total Cash Receipts Over Cash Disbursements	<u>209,950</u>	<u>0</u>	<u>9,668</u>	<u>1,444,649</u>	<u>1,664,267</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	4,799		7,408	17,380	29,587
Transfers-Out	(14,288)	(4,799)			(19,087)
Total Other Financing Receipts/(Disbursements)	<u>(9,489)</u>	<u>(4,799)</u>	<u>7,408</u>	<u>17,380</u>	<u>10,500</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>200,461</u>	<u>(4,799)</u>	<u>17,076</u>	<u>1,462,029</u>	<u>1,674,767</u>
Fund Cash Balances, January 1	<u>553,893</u>	<u>4,799</u>	<u>110,475</u>	<u>107,056</u>	<u>776,223</u>
Fund Cash Balances, December 31	<u>\$754,354</u>	<u>\$0</u>	<u>\$127,551</u>	<u>\$1,569,085</u>	<u>\$2,450,990</u>
Reserves for Encumbrances, December 31	<u>\$13,655</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$926
Total Operating Cash Receipts	926
Operating Cash Disbursements:	
Library Materials	1,292
Total Operating Cash Disbursements	1,292
Operating (Loss)	(366)
Non-Operating Cash Receipts:	
Contributions, Gifts and Donations	24,274
Total Non-Operating Cash Receipts	24,274
Excess of Cash Receipts and Non-Operating Cash Receipts Over Cash Disbursements Before Interfund Transfers	23,908
Transfers-Out	(10,500)
Net Receipts Over Disbursements	13,408
Fund Cash Balances, January 1	51,493
Fund Cash Balances, December 31	\$64,901

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bucyrus Public Library, Crawford 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 six-member Board of Trustees appointed by the City of Bucyrus. 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 included in fund cash balances. 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 common stock are valued at cost or fair value when donated. Money market mutual funds (including STAR Ohio) 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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Funds:

LSTA Grant Fund - This fund receives Federal grant money for enhancement of the Bucyrus Library Consortium.

Drew Carey Grant Fund - This fund receives grant money from the Drew Carey foundation for enhancement of the Bucyrus Library.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Bill Gates Grant Fund - This fund receives grant money from the Bill Gates foundation for the purchase of computers.

3. Capital Projects 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 had the following significant capital projects fund:

Building Fund - This fund receives money for the acquisition of an additional building.

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:

Ursula Mills Expendable Trust Fund - This fund receives money from contributions, gifts, and donations. The revenue is used for the purchase of books for the library.

Metzger Nonexpendable Trust Fund - This fund receives money from interest earned on the Metzger Trust. The revenue earned is used for the purchase of books for the library.

Aileen Philbin Expendable Trust Fund - This fund receives money from contributions, gifts, and donations. The money is being held for building acquisition and capital improvements.

Alpha and Inez Philbin Nonexpendable Trust Fund - This fund receives money from interest earned on the Philbin Trust along with discretionary distributions from the trust. The discretionary distributions are to be expended towards the capital improvement needs of the Library.

Gladys's Grove Expendable Trust Fund - This fund receives money from contributions, gifts and donations. This money can be expended as the Library deems necessary.

Eleanor Lamb Nonexpendable Trust Fund - This fund receives money from interest earned on the Eleanor Lamb Trust. The revenue earned is used for the purchase of books for the library.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

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 in 2000, and disbursements for 2001, may not exceed appropriations at the fund, function, and object level of control for the general fund and capital projects fund and fund level for remaining funds.

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 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment 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:

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2001	2000
Deposits	\$166,621	\$69,908
Certificates of deposit	2,668,513	1,712,511
Total deposits	2,835,134	1,782,419
STAR Ohio	12,410	733,472
Common stock (market at time acquired)	4,958	0
Total investments	17,368	733,472
Total deposits and investments	\$2,852,502	\$2,515,891

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: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Equity securities are held in book entry form by a financial institution's trust department in the Library's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2000 follows:

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$625,750	\$1,322,320	(\$696,570)
Special Revenue	19,650	19,650	0
Capital Projects	127,000	0	127,000
Fiduciary	1,488,437	23,412	1,465,025
Total	\$2,260,837	\$1,365,382	\$895,455

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$703,208	\$759,858	\$56,650
Capital Projects	4,000	17,076	13,076
Fiduciary	6,540	1,502,439	1,495,899
Total	\$713,748	\$2,279,373	\$1,565,625

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$606,500	\$573,052	\$33,448
Special Revenue	4,799	4,799	0
Capital Projects	124,000	0	124,000
Fiduciary	1,273,598	27,002	1,246,596
Total	\$2,008,897	\$604,853	\$1,404,044

4. INTERGOVERNMENTAL 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.

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 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. 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.

6. RISK MANAGEMENT

Commercial Insurance

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

- Comprehensive property and general liability; and
- Errors and omissions.

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

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Bucyrus Public Library (the Library) as of and for the years ended December 31, 2001, and December 31, 2000, and have issued our report thereon dated February 27, 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 February 27, 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 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 February 27, 2002.

This report is intended solely 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

February 27, 2002

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-00517-001	Ohio Admin. Code Sections 117-4-14 and 117-4-07, execution of purchase orders and encumbering.	No	Finding No Longer Valid for 2001, Admin Code repealed. Citation is repeated in management letter for 2000.
1999-00517-002	Approval of Expenditures - Segregation of Duties	Different corrective action taken	Compensating control of Asst. Director reviewing and disbursing all expenditures.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BUCYRUS PUBLIC LIBRARY

CRAWFORD 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
APRIL 9, 2002**