



**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE 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, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental 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>	9

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REPORT OF INDEPENDENT ACCOUNTANTS

Briggs Lawrence County Public Library
Lawrence County
321 South Fourth Street
Ironton, Ohio 45638

To the Board of Trustees:

We have audited the accompanying financial statements of Briggs Lawrence County Public Library, Lawrence 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 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 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 Briggs Lawrence County Public Library, Lawrence County, Ohio, 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 April 30, 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

April 30, 2001

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**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE 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**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Capital Projects	
Cash Receipts:			
State Income Taxes	\$2,474,755	\$	\$2,474,755
Patron Fines and Fees	37,745		37,745
Earnings on Investments	31,135	65,580	96,715
Contributions, Gifts & Donations	1,745	1,988	3,733
Miscellaneous Revenue	2,554		2,554
 Total Cash Receipts	 2,547,934	 67,568	 2,615,502
Cash Disbursements:			
Salaries and Benefits	1,138,604		1,138,604
Supplies	73,899		73,899
Purchased & Contracted Services	225,399		225,399
Library Materials & Info.	338,920		338,920
Capital Outlay	55,428		55,428
Other Objects	10,451		10,451
 Total Cash Disbursements	 1,842,701	 0	 1,842,701
 Total Cash Receipts Over/(Under) Cash Disbursement	 705,233	 67,568	 772,801
Other Financing Sources/(Uses):			
Transfers-In		800,000	800,000
Transfers-Out	(800,000)		(800,000)
 Total Other Financing Sources/(Uses)	 (800,000)	 800,000	 0
 Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	 (94,767)	 867,568	 772,801
 Fund Cash Balances, January 1	 481,690	 1,500,857	 1,982,547
 Fund Cash Balances, December 31	 \$386,923	 \$2,368,425	 \$2,755,348
 Reserve for Encumbrances, December 31	 \$219,626	 \$0	 \$219,626

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

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE 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	\$2,295,882	\$	\$2,295,882
Patron Fines and Fees	40,851		40,851
Earnings on Investments	52,086	1,716	53,802
Contributions, Gifts & Donations	1,603	3,197	4,800
Miscellaneous Revenue	20,962		20,962
Total Cash Receipts	2,411,384	4,913	2,416,297
Cash Disbursements:			
Salaries and Benefits	1,050,483		1,050,483
Supplies	70,895		70,895
Purchased & Contracted Services	173,052		173,052
Library Materials & Info.	309,164		309,164
Capital Outlay	166,601	1,017	167,618
Other Objects	10,491		10,491
Total Cash Disbursements	1,780,686	1,017	1,781,703
Total Cash Receipts Over/(Under) Cash Disbursements	630,698	3,896	634,594
Other Financing Sources/(Uses):			
Transfers-In		761,924	761,924
Transfers-Out	(754,150)	(7,774)	(761,924)
Total Other Financing Sources/(Uses)	(754,150)	754,150	0
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(123,452)	758,046	634,594
Fund Cash Balances, January 1	605,142	742,811	1,347,953
Fund Cash Balances, December 31	\$481,690	\$1,500,857	\$1,982,547
Reserve for Encumbrances, December 31	\$243,105	\$0	\$243,105

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

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Briggs Lawrence County Public Library, Lawrence 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 an appointed six-member Board of Trustees. 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.

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 Projects Fund

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 Funds:

Capital Projects Fund - This fund receives money for the construction of additional branches.

Capital Improvement Fund - This fund receives money for the improvement of existing buildings.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Personal Leave

Employees are entitled to cash payments for unused vacation and personal leave in certain circumstances, such as upon leaving employment. Unpaid vacation and personal leave are not reflected as a liability under the basis of accounting used by the Library.

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:

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$2,279,740	\$1,533,384
Certificates of Deposit	<u>475,608</u>	<u>449,163</u>
Total Deposits	<u>\$2,755,348</u>	<u>\$1,982,547</u>

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities pooled or specifically pledged by the financial institutions to the Library.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE 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			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,429,757	\$ 2,547,934	\$ 118,177
Capital Projects	33,500	867,568	834,068
Total	<u>\$ 2,463,257</u>	<u>\$ 3,415,502</u>	<u>\$ 952,245</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,911,447	\$ 2,862,327	\$ 49,120
Capital Projects	2,334,356	0	2,334,356
Total	<u>\$ 5,245,803</u>	<u>\$ 2,862,327</u>	<u>\$ 2,383,476</u>

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,406,807	\$ 2,411,384	\$ 4,577
Capital Projects	3,200	766,837	763,637
Total	<u>\$ 2,410,007</u>	<u>\$ 3,178,221</u>	<u>\$ 768,214</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 3,145,759	\$ 2,777,941	\$ 367,818
Capital Projects	746,010	8,791	737,219
Total	<u>\$ 3,891,769</u>	<u>\$ 2,786,732</u>	<u>\$ 1,105,037</u>

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

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

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

The Library's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement 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, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Effective July 1, 2000, the employers' contribution rate decreased to 8.13% of the 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

The Library provides health insurance to all employees through a private carrier. The Library also provides life insurance, and dental and vision insurance to all 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**

Briggs Lawrence County Public Library
Lawrence County
321 South Fourth Street
Ironton, Ohio 45638

To the Board of Trustees:

We have audited the accompanying financial statements of Briggs Lawrence County Public Library, Lawrence County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 30, 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 statement is 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 Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement 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 does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 30, 2001.

Briggs Lawrence County Public Library
Lawrence 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

April 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY

LAWRENCE 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 28, 2001**