



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Columbiana Public Library
Columbiana County
332 North Middle Street
Columbiana, Ohio 44408

To the Library Trustees:

We have audited the accompanying financial statements of the Columbiana Public Library, Columbiana County, Ohio, (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 Columbiana Public 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 June 19, 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, the Library 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 19, 2002

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA 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:			
Other Government Grants-In-Aid	\$554,902		\$554,902
Patron Fines and Fees	17,041		17,041
Earnings on Investments	47,725	\$11,439	59,164
Services Provided to Other Entities	59		59
Contributions, Gifts and Donations	2,077		2,077
Miscellaneous Receipts	20,430		20,430
Total Cash Receipts	<u>642,234</u>	<u>11,439</u>	<u>653,673</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	238,671		238,671
Supplies	10,816		10,816
Purchased and Contracted Services	116,527		116,527
Library Materials and Information	98,883		98,883
Miscellaneous Disbursements	2,039		2,039
Capital Outlay	33,739	6,820	40,559
Total Cash Disbursements	<u>500,675</u>	<u>6,820</u>	<u>507,495</u>
Total Cash Receipts Over Cash Disbursements	<u>141,559</u>	<u>4,619</u>	<u>146,178</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		300,000	300,000
Transfers-Out	(300,000)		(300,000)
Pass Through Payments From School District		1,000,000	1,000,000
Total Other Financing Receipts/(Disbursements)	<u>(300,000)</u>	<u>1,300,000</u>	<u>1,000,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(158,441)	1,304,619	1,146,178
Fund Cash Balances, January 1	463,413	504,439	967,852
Fund Cash Balances, December 31	<u>\$304,972</u>	<u>\$1,809,058</u>	<u>\$2,114,030</u>
Reserves for Encumbrances, December 31	<u>\$9,611</u>	<u>\$0</u>	<u>\$9,611</u>

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

COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Non-Expendable Trust</u>
Cash Receipts:	
Earnings on Investments	<u>\$2,728</u>
Total Cash Receipts	<u>2,728</u>
Cash Disbursements:	
Current:	
Library Materials and Information	<u>4,100</u>
Total Cash Disbursements	<u>4,100</u>
Total Cash Receipts (Under) Cash Disbursements	(1,372)
Fund Cash Balances, January 1	<u>68,491</u>
Fund Cash Balances, December 31	<u><u>\$67,119</u></u>

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

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND 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:			
Other Government Grants-In-Aid	\$534,005		\$534,005
Patron Fines and Fees	22,492		22,492
Earnings on Investments	26,948	\$17,066	44,014
Services Provided to Other Entities	53		53
Contributions, Gifts and Donations	2,779		2,779
Miscellaneous Receipts	3,381		3,381
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	589,658	17,066	606,724
Cash Disbursements:			
Current:			
Salaries and Benefits	215,492		215,492
Supplies	10,825		10,825
Purchased and Contracted Services	54,467		54,467
Library Materials and Information	99,508		99,508
Miscellaneous Disbursements	1,854		1,854
Capital Outlay	15,003		15,003
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	397,149	0	397,149
Total Cash Receipts Over Cash Disbursements	192,509	17,066	209,575
Fund Cash Balances, January 1	270,904	487,373	758,277
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$463,413	\$504,439	\$967,852
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Reserves for Encumbrances, December 31	\$9,892	\$0	\$9,892
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The notes to the financial statements are an integral part of this statement.

COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Non-Expendable Trust</u>
Cash Receipts:	
Earnings on Investments	\$6,249
Total Cash Receipts	<u>6,249</u>
Cash Disbursements:	
	<u>0</u>
Total Cash Disbursements	<u>0</u>
Total Cash Receipts Over Cash Disbursements	6,249
Fund Cash Balances, January 1	<u>62,242</u>
Fund Cash Balances, December 31	<u><u>\$68,491</u></u>

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

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Columbiana Public Library, Columbiana 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 7-member Board of Trustees appointed by the Columbiana Exempted Library 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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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. Repurchase agreements are recorded at share values reported by bank.

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.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Capital Project 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 project fund:

Building Project Fund - This fund receives donations, proceeds of bonds and general fund transfers to fund major projects undertaken by the Library.

3. Fiduciary Fund (Trust Fund)

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 non-expendable trust fund. The Library had the following significant fiduciary funds:

Volgel Trust Fund - This fund was received as a donation. The interest is expended for Library operations.

Burt Trust Fund - This fund was received as a donation. The interest is expended for Library operations.

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.

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.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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>2001</u>	<u>2000</u>
Demand deposits	\$35,629	\$65,137
Certificates of deposit	<u>487,000</u>	<u>762,000</u>
Total deposits	<u>522,629</u>	<u>827,137</u>
Repurchase agreements	1,512,302	87,988
STAR Ohio	<u>146,218</u>	<u>121,218</u>
Total investments	<u>1,658,520</u>	<u>209,206</u>
Total deposits and investments	<u><u>\$2,181,149</u></u>	<u><u>\$1,036,343</u></u>

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 and repurchase agreements are not evidenced by securities that exist in physical or book-entry form.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,631,750	\$810,286	\$821,464
Capital Projects	350,000	6,820	343,180
Fiduciary - Trust Fund	6,000	4,100	1,900
Total	\$1,987,750	\$821,206	\$1,166,544

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$480,380	\$589,658	\$109,278
Capital Projects	0	17,066	17,066
Fiduciary - Trust Fund	3,000	6,249	3,249
Total	\$483,380	\$612,973	\$129,593

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$558,648	\$397,149	\$161,499
Capital Projects	45,000	0	45,000
Fiduciary - Trust Fund	3,000	0	3,000
Total	\$606,648	\$397,149	\$209,499

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.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. PASS THROUGH PAYMENTS

In May 2001, a tax levy was passed in the Columbiana Exempted Village School District's name for the Columbiana Public Library (the "Library"). In accordance with Ohio Revised Code Section 3375.43-45, local libraries are not allowed to issue debt or levy taxes in their name, therefore, after School Board approval, the levy was placed in the name of Columbiana Exempted Village School District. The School District acts as taxing authority for the Library, collects levied taxes and makes required debt service payments. The School District passed through \$1,000,000 from the bond proceeds to the Library for the expansion and equipping of the existing library.

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

Columbiana Public Library
Columbiana County
332 North Middle Street
Columbiana, Ohio 44408

To the Library Trustees:

We have audited the accompanying financial statements of the Columbiana Public Library, Columbiana County, Ohio (the Library), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 19, 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*.

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 operations that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management and Library Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 19, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COLUMBIANA PUBLIC LIBRARY

COLUMBIANA 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 5, 2002**