



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Lisbon Lepper Library Association
Columbiana County
303 E. Lincoln Way
Lisbon, Ohio 44432

To the Board of Trustees:

We have audited the accompanying financial statements of the Lisbon Lepper Library Association, Columbiana County, Ohio (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 May 28, 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 and contracts. 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 28, 2002

**LISBON LEPPER LIBRARY ASSOCIATION
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**

| | Governmental Fund Types | | Totals (Memorandum Only) |
|--|--------------------------------|-----------------------------|---|
| | General | Capital Projects | |
| Cash Receipts: | | | |
| Other Government Grants-In-Aid | \$745,469 | | \$745,469 |
| Patron Fines and Fees | 7,963 | | 7,963 |
| Earnings on Investments | 72,358 | | 72,358 |
| Contributions, Gifts and Donations | 5,610 | | 5,610 |
| Miscellaneous Receipts | 2,752 | | 2,752 |
| Total Cash Receipts | 834,152 | | 834,152 |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 476,598 | | 476,598 |
| Purchased and Contracted Services | 114,137 | | 114,137 |
| Other Objects | 129,519 | | 129,519 |
| Total Cash Disbursements | 720,254 | | 720,254 |
| Total Cash Receipts Over/(Under) Cash Disbursements | 113,898 | | 113,898 |
| Other Financing Receipts/(Disbursements): | | | |
| Proceeds from Sales of Property | 1,267 | | 1,267 |
| Total Other Financing Receipts/(Disbursements) | 1,267 | | 1,267 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 115,165 | | 115,165 |
| Fund Cash Balances, January 1 | 108,788 | 1,218,249 | 1,327,037 |
| Fund Cash Balances, December 31 | \$223,953 | \$1,218,249 | \$1,442,202 |
| Reserves for Encumbrances, December 31 | \$15,973 | | |

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

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

| | Fiduciary Fund Type |
|--|--------------------------------|
| | Nonexpendable Trust |
| Operating Cash Receipts: | |
| Patron Fees and Fines | |
| Services Provided to Other Entities | |
| Total Operating Cash Receipts | |
| Operating Cash Disbursements: | |
| Current: | |
| Salaries and Benefits | |
| Purchased and Contracted Services | |
| Other Objects | |
| Capital Outlay | |
| Total Operating Cash Disbursements | |
| Operating Income/(Loss) | |
| Fund Cash Balances, January 1 | 16,000 |
| Fund Cash Balances, December 31 | \$16,000 |

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

**LISBON LEPPER LIBRARY ASSOCIATION
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, 2000**

| | Governmental Fund Types | | Totals (Memorandum Only) |
|--|--------------------------------|-----------------------------|---|
| | General | Capital Projects | |
| Cash Receipts: | | | |
| Other Government Grants-In-Aid | \$731,501 | | \$731,501 |
| Patron Fines and Fees | 6,552 | | 6,552 |
| Earnings on Investments | 43,873 | | 43,873 |
| Contributions, Gifts and Donations | 298 | | 298 |
| Miscellaneous Receipts | 11,959 | | 11,959 |
| | 794,183 | | 794,183 |
| Total Cash Receipts | 794,183 | | 794,183 |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 310,001 | | 310,001 |
| Purchased and Contracted Services | 93,143 | | 93,143 |
| Other Objects | 131,244 | | 131,244 |
| | 534,388 | | 534,388 |
| Total Cash Disbursements | 534,388 | | 534,388 |
| Total Cash Receipts Over/(Under) Cash Disbursements | 259,795 | | 259,795 |
| Other Financing Receipts/(Disbursements): | | | |
| Proceeds from Sales of Property | 826 | | 826 |
| Transfers-In | | 250,000 | 250,000 |
| Transfers-Out | (250,000) | | (250,000) |
| | (249,174) | 250,000 | 826 |
| Total Other Financing Receipts/(Disbursements) | (249,174) | 250,000 | 826 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 10,621 | 250,000 | 260,621 |
| Fund Cash Balances, January 1 | 98,169 | 968,249 | 1,066,418 |
| Fund Cash Balances, December 31 | \$108,790 | \$1,218,249 | \$1,327,039 |
| Reserves for Encumbrances, December 31 | \$5,822 | | |

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

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

| | Fiduciary Fund Type |
|--|--------------------------------|
| | Nonexpendable Trust |
| Operating Cash Receipts: | |
| Patron Fees and Fines | |
| Services Provided to Other Entities | |
| Total Operating Cash Receipts | |
| Operating Cash Disbursements: | |
| Current: | |
| Salaries and Benefits | |
| Purchased and Contracted Services | |
| Other Objects | |
| Capital Outlay | |
| Total Operating Cash Disbursements | |
| Operating Income/(Loss) | |
| Fund Cash Balances, January 1 | 16,000 |
| Fund Cash Balances, December 31 | \$16,000 |

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

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lisbon Lepper Library Association, 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Friends of the Lisbon Lepper Library. 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.

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 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 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 and Repair Fund - The Library has established this fund for construction and building maintenance projects.

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 fund:

John Clark - George Lafferty Nonexpendable Trust Fund - This fund accounts for trust principal which may not be expended. Only interest earned on the principal may be used for trust operations. The interest received by the Library is to be used for the purchase of new books for the use of patrons of the Library.

E. 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:

| | <u>2001</u> | <u>2000</u> |
|--------------------------------|--------------------|--------------------|
| Demand deposits | \$200,450 | \$85,285 |
| Certificates of deposit | <u>1,257,752</u> | <u>1,257,754</u> |
| Total deposits and investments | <u>\$1,458,202</u> | <u>\$1,343,039</u> |

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

3. BUDGETARY ACTIVITY

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

| 2001 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$983,859 | \$736,227 | \$247,632 |
| Capital Projects | | | |
| Fiduciary | | | |
| Total | \$983,859 | \$736,227 | \$247,632 |

| 2000 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$740,118 | \$795,009 | \$54,891 |
| Capital Projects | | 250,000 | 250,000 |
| Fiduciary | | | 0 |
| Total | \$740,118 | \$1,045,009 | \$304,891 |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$946,306 | \$790,210 | \$156,096 |
| Capital Projects | | | 0 |
| Fiduciary | | | 0 |
| Total | \$946,306 | \$790,210 | \$156,096 |

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 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 through June 30, 2000 and for 2001. 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.

**LISBON LEPPER LIBRARY ASSOCIATION
COLUMBIANA COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

The Lisbon Lepper Library Association has obtained commercial insurance for the following risks:

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



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Lisbon Lepper Library Association
Columbiana County
303 E. Lincoln Way
Lisbon, Ohio 44432

To the Board of Trustees:

We have audited the financial statements of the Lisbon Lepper Library Association, Columbiana County, Ohio (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 28, 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 and contracts, 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 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 May 28, 2002.

This report is intended 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.

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

Jim Petro
Auditor of State

May 28, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LISBON LEPPER LIBRARY ASSOCIATION

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 11, 2002**