



**Auditor of State  
Betty Montgomery**



**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY  
LAWRENCE COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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 the Briggs Lawrence County Public Library, Lawrence County, Ohio (the Library), as of and for the years ended December 31, 2002 and 2001. 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 Briggs Lawrence County Public Library, Lawrence County, as of December 31, 2002 and 2001, 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 16, 2003 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 16, 2003

**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, 2002**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Government Support	\$2,334,731	\$	\$2,334,731
Other Government Grants-In-Aid	2,250		2,250
Patron Fines and Fees	42,799		42,799
Earnings on Investments	4,728	46,937	51,665
Contributions, Gifts and Donations	2,328	2,034	4,362
Miscellaneous Receipts	3,482		3,482
	<u>2,390,318</u>	<u>48,971</u>	<u>2,439,289</u>
<b>Cash Disbursements:</b>			
Salaries and Benefits	1,603,242		1,603,242
Supplies	85,397		85,397
Purchased and Contracted Services	263,907		263,907
Library Materials & Information	249,357		249,357
Capital Outlay	109,826		109,826
Other Objects	11,527		11,527
	<u>2,323,256</u>	<u>0</u>	<u>2,323,256</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>67,062</u>	<u>48,971</u>	<u>116,033</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		294,130	294,130
Transfers-Out	(294,130)		(294,130)
	<u>(294,130)</u>	<u>294,130</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(294,130)</u>	<u>294,130</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(227,068)	343,101	116,033
Fund Cash Balances, January 1	<u>724,364</u>	<u>2,275,294</u>	<u>2,999,658</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$497,296</u></b>	<b><u>\$2,618,395</u></b>	<b><u>\$3,115,691</u></b>
Reserves for Encumbrances, December 31	<u>\$109,568</u>	<u>\$0</u>	<u>\$109,568</u>

*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, 2001

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Government Support	\$2,531,747	\$	\$2,531,747
Other Government Grants-In-Aid	4,250		4,250
Patron Fines and Fees	40,805		40,805
Earnings on Investments	20,800	93,751	114,551
Contributions, Gifts and Donations	51,722	3,118	54,840
Miscellaneous Receipts	2,431		2,431
	<u>2,651,755</u>	<u>96,869</u>	<u>2,748,624</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	1,331,997		1,331,997
Supplies	74,912		74,912
Purchased and Contracted Services	266,959		266,959
Library Materials & Information	331,323		331,323
Capital Outlay	299,326	190,000	489,326
Other Objects	9,797		9,797
	<u>2,314,314</u>	<u>190,000</u>	<u>2,504,314</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Cash Disbursements	337,441	(93,131)	244,310
Fund Cash Balances, January 1	386,923	2,368,425	2,755,348
<b>Fund Cash Balances, December 31</b>	<u><b>\$724,364</b></u>	<u><b>\$2,275,294</b></u>	<u><b>\$2,999,658</b></u>
Reserves for Encumbrances, December 31	<u>\$180,233</u>	<u>\$0</u>	<u>\$180,233</u>

*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, 2002 AND 2001**

**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 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 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:

*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, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

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.

A summary of 2002 and 2001 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 Vacation and Personal Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and personal leave. Unpaid vacation and personal leave are 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 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:

	2002	2001
Demand Deposits	\$2,343,249	\$2,526,493
Certificates of Deposit	772,442	473,165
Total Deposits	\$3,115,691	\$2,999,658

**Deposits:** Deposits are either (1) insured by the Federal Deposit 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.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,113,094	\$2,726,954	\$386,140
Capital Projects	2,317,290		2,317,290
Total	\$5,430,384	\$2,726,954	\$2,703,430

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,048,201	\$2,494,547	\$553,654
Capital Projects	2,439,425	190,000	2,249,425
Total	\$5,487,626	\$2,684,547	\$2,803,079

**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 based on of any additional revenues the Library receives.

**5. RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5% of their gross salaries. For 2002 and 2001, the Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 2002.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY  
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Briggs Lawrence County Public Library has obtained commercial insurance for the following risks:

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

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



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT 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, 2002 and 2001, and have issued our report thereon dated April 16, 2003. 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 April 16, 2003.

#### **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 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 April 16, 2003.

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Briggs Lawrence County Public Library  
Lawrence County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
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This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 16, 2003



**Auditor of State  
Betty Montgomery**

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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  
MAY 20, 2003**