



**Auditor of State
Betty Montgomery**

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Bristol Public Library
Trumbull County
P.O. Box 220
1855 Greenville Road
Bristolville, Ohio 44402

To the Board of Trustees:

We have audited the accompanying financial statements of the Bristol Public Library (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 fund cash balances and reserves for encumbrances of the Library as of December 31, 2002 and 2001, and its 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 30, 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, 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 the management, 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

May 30, 2003

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
Other Governments Grants-In-Aid	\$537,328		\$537,328
Patron Fines and Fees	16,521		16,521
Earnings on Investments	8,416	\$5,290	13,706
Contributions, Gifts and Donations	60		60
Miscellaneous Receipts	5,685		5,685
	<u>568,010</u>	<u>5,290</u>	<u>573,300</u>
Total Cash Receipts			
	<u>568,010</u>	<u>5,290</u>	<u>573,300</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	296,788		296,788
Supplies	18,724		18,724
Purchased and Contracted Services	69,015		69,015
Library Materials & Information	131,675		131,675
Other Objects	11,833		11,833
Capital Outlay	53,673		53,673
	<u>581,708</u>	<u>0</u>	<u>581,708</u>
Total Cash Disbursements			
	<u>581,708</u>	<u>0</u>	<u>581,708</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(13,698)</u>	<u>5,290</u>	<u>(8,408)</u>
Fund Cash Balances, January 1	<u>573,800</u>	<u>35,815</u>	<u>609,615</u>
Fund Cash Balances, December 31	<u>\$560,102</u>	<u>\$41,105</u>	<u>\$601,207</u>
Reserves for Encumbrances, December 31	<u>\$23,871</u>	<u>\$0</u>	<u>\$23,871</u>

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

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

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

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
Other Government Grants-In-Aid	\$582,788		\$582,788
Patron Fines and Fees	14,221		14,221
Earnings on Investments	22,228	\$5,881	28,109
Contributions, Gifts and Donations	360		360
Miscellaneous Receipts	8,529		8,529
	<u>628,126</u>	<u>5,881</u>	<u>634,007</u>
Cash Disbursements:			
Current:			
Salaries and Benefits	278,163		278,163
Supplies	21,277		21,277
Purchased and Contracted Services	55,254		55,254
Library Materials & Information	124,189		124,189
Other Objects	8,881		8,881
Capital Outlay	3,801		3,801
	<u>491,565</u>	<u>0</u>	<u>491,565</u>
Total Cash Receipts Over Cash Disbursements	<u>136,561</u>	<u>5,881</u>	<u>142,442</u>
Fund Cash Balances, January 1	<u>437,239</u>	<u>29,934</u>	<u>467,173</u>
Fund Cash Balances, December 31	<u>\$573,800</u>	<u>\$35,815</u>	<u>\$609,615</u>
Reserves for Encumbrances, December 31	<u>\$25,026</u>	<u>\$0</u>	<u>\$25,026</u>

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

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Bristol Public Library, Trumbull 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 7-member Board of Trustees appointed by the Bristol Board of Education. 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, except for the portion of the Maltby Trust Fund legally required to be held by its trustees. These assets are described in Note 7 to the financial statements.

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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. 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.

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 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 nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary fund: Maltby Expendable Trust.

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 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 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	\$124,780	\$145,351
Certificates of deposit	379,250	250,000
Total deposits	504,030	395,351
STAR Ohio	97,177	214,264
Total investments	97,177	214,264
Total deposits and investments	\$601,207	\$609,615

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) 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.

**BRISTOL PUBLIC LIBRARY
TRUMBULL 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	\$1,185,365	\$605,579	\$579,786
Fiduciary	40,815	0	40,815
Total	\$1,226,180	\$605,579	\$620,601

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,078,513	\$516,591	\$561,922
Fiduciary	33,234	0	33,234
Total	\$1,111,747	\$516,591	\$595,156

4. GRANTS-IN-AID 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 for 2001 and 2002. The Library has paid all contributions required through December 31, 2002.

**BRISTOL PUBLIC LIBRARY
TRUMBULL COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Commercial Property Coverage;
- Crime Coverage;
- General Liability Coverage
- Commercial Inland Marine

The Library also provides health insurance (80% for single coverage paid by the Library, 20% by the employee) and dental coverage (employees pay 100% of premiums) to full-time employees through a private carrier. Life insurance is provided to all employees.

7. CUSTODIANS OF OTHER ASSETS

The Martha J. Maltby Trust Fund, maintained on the Library's books as an expendable trust fund, represents the accumulated investment income derived from a bequest made to the Library. This amount is reflected under an Expendable Trust Fund on the Library's financial statements. According to the terms of the bequest, the corpus of this fund is held in trusteeship by National City Bank of Columbus. The inventory (cost basis) of the trust fund was \$40,506 as of December 31, 2002. The estimated market value as of December 31, 2002 was \$66,106. The fund holds investments in stocks and bonds. The amount of the fund held in trusteeship is not reflected on the Library's financial statements.



**Auditor of State
Betty Montgomery**

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

Bristol Public Library
Trumbull County
P.O. Box 220
1855 Greenville Road
Bristolville, Ohio 44402

To the Board of Trustees:

We have audited the accompanying financial statements of the Bristol Public Library (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 30, 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, 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 30, 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 a matter 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 May 30, 2003.

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.

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

Betty Montgomery
Auditor of State

May 30, 2003



**Auditor of State
Betty Montgomery**

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BRISTOL PUBLIC LIBRARY

TRUMBULL 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 15, 2003**