



**Auditor of State
Betty Montgomery**

COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Public Library, Columbiana County, (the Library) as of and for the year ended December 31, 2002. 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 of the Library as of December 31, 2002, and its combined cash receipts and disbursements for the year 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, 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 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

April 30, 2003

**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, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$559,803		\$559,803
Patron Fines and Fees	22,167		22,167
Services Provided to Other Entities	2,171		2,171
Contributions, Gifts and Donations	3,865		3,865
Earnings on Investments	13,707	\$37,422	51,129
Miscellaneous Receipts	6,917		6,917
	<hr/>		<hr/>
Total Cash Receipts	608,630	37,422	646,052
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries	219,756		219,756
Employee Fringe Benefits	41,674		41,674
Purchased and Contracted Services	69,832		69,832
Library Materials and Information	112,819		112,819
Supplies	13,859		13,859
Other Objects	4,063		4,063
Capital Outlay	5,637	542,539	548,176
	<hr/>		<hr/>
Total Cash Disbursements	467,640	542,539	1,010,179
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	140,990	(505,117)	(364,127)
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Advances-In	156,715	170,653	327,368
Advances-Out	(170,653)	(156,715)	(327,368)
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Total Other Financing Receipts/(Disbursements)	(13,938)	13,938	0
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	127,052	(491,179)	(364,127)
	<hr/>		<hr/>
Fund Cash Balances, January 1	305,092	1,814,058	2,119,150
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$432,144	\$1,322,879	\$1,755,023
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Reserves for Encumbrances, December 31	\$13,406	\$1,004,055	\$1,017,461
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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
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$1,076
Total Operating Cash Receipts	1,076
Operating Cash Disbursements:	
Current:	
Library Materials and Information	488
Total Operating Cash Disbursements	488
Operating Income/(Loss)	588
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	588
Net Receipts Over/(Under) Disbursements	588
Fund Cash Balances, January 1	67,119
Fund Cash Balances, December 31	\$67,707
Reserves for Encumbrances, December 31	\$0

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, 2002**

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 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. 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 the 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.

2. Capital Project Fund

This fund is 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.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(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. The Library had the following significant fiduciary funds:

Vogel 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 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 level of control.

A summary of 2002 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

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. 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
Cash on hand	\$40
Demand deposits	1,031,562
Certificates of deposit	62,000
Total deposits	1,093,562
STAR Ohio	128,367
Repurchase agreement	600,761
Total investments	729,128
Total deposits and investments	\$1,822,730

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)

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.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$439,299	\$608,630	\$169,331
Capital Projects	20,000	37,422	17,422
Nonexpendable Trust	3,600	1,076	(2,524)
Total	\$462,899	\$647,128	\$184,229

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$600,000	\$481,046	\$118,954
Capital Projects	1,549,722	1,546,594	3,128
Nonexpendable Trust	3,000	488	2,512
Total	\$2,152,722	\$2,028,128	\$124,594

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 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 2002. The Library has paid all contributions required through December 31, 2002.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

The Columbiana Public Library has obtained commercial insurance for the following risks:

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

The Library also provides health insurance and dental and vision coverage to 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*

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Public Library (the Library) as of and for the year ended December 31, 2002, and have issued our report thereon dated April 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, 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 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 April 30, 2003.

This report is intended solely for the information and use of the management and 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 30, 2003



**Auditor of State
Betty Montgomery**

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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
JUNE 17, 2003**