



**Auditor of State
Betty Montgomery**

AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types - For the Year Ended December 31, 2002	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Amos Memorial Public Library
Shelby County
230 East North Street
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of the Amos Memorial 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 combined fund cash balances and reserve for encumbrances of the Library 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 March 14, 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.

Amos Memorial Public Library
Shelby County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, 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

March 14, 2003

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Other Government Grants-In-Aid	\$1,779,308				\$1,779,308
Patron Fines and Fees	28,095				28,095
Earnings on Investments	70,319	\$12,749			83,068
Contributions, Gifts and Donations	12,006				12,006
Miscellaneous Receipts	6,154				6,154
Total Cash Receipts	<u>1,895,882</u>	<u>12,749</u>			<u>1,908,631</u>
Cash Disbursements:					
Salaries and Benefits	987,264				987,264
Purchased and Contracted Services	263,544				263,544
Supplies	46,925				46,925
Library Materials and Information	337,544				337,544
Capital Outlay	80,347				80,347
Miscellaneous	10,485				10,485
Total Cash Disbursements	<u>1,726,109</u>				<u>1,726,109</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>169,773</u>	<u>12,749</u>			<u>182,522</u>
Other Financing Receipts/(Disbursements):					
Transfers-In			\$309,966		309,966
Transfers-Out	(309,966)				(309,966)
Total Other Financing Receipts/(Disbursements)	<u>(309,966)</u>		<u>309,966</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(140,193)	12,749	309,966		182,522
Fund Cash Balances, January 1	<u>1,137,353</u>	<u>242,349</u>	<u>\$1,001,667</u>	<u>976,218</u>	<u>3,357,587</u>
Fund Cash Balances, December 31	<u>\$997,160</u>	<u>\$255,098</u>	<u>\$1,311,633</u>	<u>\$976,218</u>	<u>\$3,540,109</u>
Reserves for Encumbrances, December 31	<u>\$150,827</u>				<u>\$150,827</u>

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

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Other Government Grants-In-Aid	\$1,929,679				\$1,929,679
Patron Fines and Fees	25,007				25,007
Earnings on Investments	91,684	\$13,644			105,328
Contributions, Gifts and Donations	7,493				7,493
Miscellaneous Receipts	9,135				9,135
Total Cash Receipts	<u>2,062,998</u>	<u>13,644</u>			<u>2,076,642</u>
Cash Disbursements:					
Salaries and Benefits	958,943				958,943
Purchased and Contracted Services	261,989				261,989
Supplies	45,491				45,491
Library Materials and Information	316,804				316,804
Capital Outlay	39,752				39,752
Miscellaneous	5,748				5,748
Total Cash Disbursements	<u>1,628,727</u>				<u>1,628,727</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>434,271</u>	<u>13,644</u>			<u>447,915</u>
Other Financing Receipts/(Disbursements):					
Transfers-In			\$445,188		445,188
Transfers-Out	(445,188)				(445,188)
Total Other Financing Receipts/(Disbursements)	<u>(445,188)</u>		<u>445,188</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(10,917)	13,644	445,188		447,915
Fund Cash Balances, January 1	<u>1,148,270</u>	<u>228,705</u>	<u>\$556,479</u>	<u>976,218</u>	<u>2,909,672</u>
Fund Cash Balances, December 31	<u>\$1,137,353</u>	<u>\$242,349</u>	<u>\$1,001,667</u>	<u>\$976,218</u>	<u>\$3,357,587</u>
Reserves for Encumbrances, December 31	<u>\$198,229</u>				<u>\$198,229</u>

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

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Amos Memorial Public Library, Shelby 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 a school district library comprised of seven citizens appointed by the Sidney City District Board of Education. The Library provides general services regarding books, periodicals, videos, and other items to the citizens in the city and surrounding area.

Blended Component Unit

A blended component unit is where the component unit's governing body is substantially the same as the primary government's governing body or the component unit provides services entirely or almost entirely to the primary government or otherwise exclusively, or almost exclusively benefits the primary government.

The Sidney Library Foundation (the "Foundation") meets the criteria of a blended component unit of the Library. The financial activity of the Foundation will be included in the financial statements of the Library as a Special Revenue Fund Type.

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, money market funds, mutual funds, and STAR Ohio are valued at cost. The investment in STAR Ohio is valued at amounts reported by the State Treasurer. 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.

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.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific source (other than from trusts or capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Library Foundation Fund - This is used to account for the operations of the Library Foundation which is under Board control but are not used for the day to day operations of the Library. This constitutes a blended component unit.

3. 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.

Technology Fund- This fund receives monies from the transfer of funds from the General Fund, and donations from citizens and businesses in the surrounding area to be used for the purchase of automated equipment and programs for the library.

4. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. The Library had the following significant fiduciary funds:

Amos Trust Fund - Expendable trust fund. This fund receives monies from donations from the Amos family which are kept in trust to be used for future technology or improvements.

Harshbarger Trust Fund - Expendable trust fund. This fund receives monies from donations from the Harshbarger family which are kept in trust to be used for future technology or improvements.

Christian Trust Fund - Expendable trust fund. This fund receives monies from donations from M. Christian which are kept in trust to be used for future technology or improvements.

Graham Trust Fund - Expendable trust fund. This fund receives monies from donations from E. Graham which are kept in trust to be used for future technology or improvements.

Simons Trust Fund - Expendable trust fund. This fund receives monies from donations from T.B. Simons which are kept in trust to be used for future technology or improvements.

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 level of control. Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick 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.

Cash on Hand – The Library maintained cash on hand of \$440 as of December 31, 2002 and 2001.

The carrying amount of cash and investments at December 31 follows:

	2002	2001
Demand deposits	\$1,631,207	\$1,507,747
Certificates of deposit	160,586	158,286
Total deposits	1,791,793	1,666,033
Money Market Account	7,023	7,034
STAR Ohio	1,179,708	1,158,754
Mutual Fund Investments	561,145	525,326
Total investments	1,747,876	1,691,114
Total deposits and investments	\$3,539,669	\$3,357,147

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

Investments: At year end, the library has invested in STAR Ohio and mutual funds. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book entry form.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY 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, excluding the activity of the Special Revenue Fund – Library Foundation (the blended component unit) which is not required to be budgeted, was as follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,988,673	\$1,895,882	(\$92,791)
Total	<u>\$1,988,673</u>	<u>\$1,895,882</u>	<u>(\$92,791)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,186,902	\$2,186,902	\$0
Special Revenue	0	0	0
Capital Projects	0	0	0
Fiduciary	6,737	0	6,737
Total	<u>\$2,193,639</u>	<u>\$2,186,902</u>	<u>\$6,737</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,055,776	\$2,062,998	\$7,222
Total	<u>\$2,055,776</u>	<u>\$2,062,998</u>	<u>\$7,222</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,272,144	\$2,272,144	\$0
Special Revenue	0	0	0
Capital Projects	0	0	0
Fiduciary	6,737	0	6,737
Total	<u>\$2,278,881</u>	<u>\$2,272,144</u>	<u>\$6,737</u>

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 any additional revenues the Library receives.

**AMOS MEMORIAL PUBLIC LIBRARY
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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 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. The Library has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Officials' Liability; and,
- Errors and omissions.

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

This page intentionally left blank.



Auditor of State Betty Montgomery

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

Amos Memorial Public Library
Shelby County
230 East North Street
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of the Amos Memorial Public Library (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 14, 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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated March 14, 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.

This report is intended solely for the information and use of the audit committee, 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

March 14, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

AMOS MEMORIAL PUBLIC LIBRARY

SHELBY 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 5, 2003**