



**Auditor of State  
Betty Montgomery**



PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Pickerington Public Library  
Fairfield County  
201 Opportunity Way  
Pickerington, Ohio 43147

To the Board of Trustees:

We have audited the accompanying financial statements of the Pickerington Public Library, Fairfield County, Ohio, (the Library) as of and for the years ended December 31, 2002 and December 31, 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 reserve for encumbrances of the Library as of December 31, 2002 and December 31, 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 June 20, 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.

Pickerington Public Library  
Fairfield County  
Independent Accountants' Report  
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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

June 20, 2003

**PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD COUNTY**

**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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Governmental Support	\$1,151,818	\$0	\$1,151,818
Intergovernmental	450	0	450
Patron Fines and Fees	61,907	0	61,907
Contributions, Gifts and Donations	690	0	690
Earnings on Investments	3,421	14,846	18,267
Miscellaneous Receipts	<u>5,588</u>	<u>0</u>	<u>5,588</u>
Total Cash Receipts	<u>1,223,874</u>	<u>14,846</u>	<u>1,238,720</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	713,577	0	713,577
Purchased and Contracted Services	189,062	0	189,062
Library Materials and Information	205,876	0	205,876
Supplies	22,416	0	22,416
Other	9,010	0	9,010
Capital Outlay	<u>50,598</u>	<u>0</u>	<u>50,598</u>
Total Cash Disbursements	<u>1,190,539</u>	<u>0</u>	<u>1,190,539</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>33,335</u>	<u>14,846</u>	<u>48,181</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Sale of Fixed Assets	743	0	743
Transfers-In	0	72,561	72,561
Transfers-Out	<u>(72,561)</u>	<u>0</u>	<u>(72,561)</u>
Total Other Financing Receipts/(Disbursements)	<u>(71,818)</u>	<u>72,561</u>	<u>743</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(38,483)	87,407	48,924
Fund Cash Balances, January 1	<u>186,396</u>	<u>821,221</u>	<u>1,007,617</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$147,913</b></u>	<u><b>\$908,628</b></u>	<u><b>\$1,056,541</b></u>
Reserves for Encumbrances, December 31	<u>\$39,600</u>	<u>\$0</u>	<u>\$0</u>

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

**PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD COUNTY**

**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>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Governmental Support	\$1,248,751	\$0	\$1,248,751
Patron Fines and Fees	46,225	0	46,225
Contributions, Gifts and Donations	830	0	830
Earnings on Investments	15,504	19,639	35,143
Miscellaneous Receipts	8,088	0	8,088
	<u>1,319,398</u>	<u>19,639</u>	<u>1,339,037</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	653,956	0	653,956
Purchased and Contracted Services	196,637	0	196,637
Library Materials and Information	209,958	0	209,958
Supplies	42,221	0	42,221
Other	120	0	120
Capital Outlay	109,109	167,562	276,671
	<u>1,212,001</u>	<u>167,562</u>	<u>1,379,563</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>107,397</u>	<u>(147,923)</u>	<u>(40,526)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	300,000	300,000
Transfers-Out	(300,000)	0	(300,000)
	<u>(300,000)</u>	<u>300,000</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(192,603)	152,077	(40,526)
Fund Cash Balances, January 1	<u>378,999</u>	<u>669,144</u>	<u>1,048,143</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$186,396</b></u>	<u><b>\$821,221</b></u>	<u><b>\$1,007,617</b></u>
Reserves for Encumbrances, December 31	<u>\$67,365</u>	<u>\$0</u>	<u>\$0</u>

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



**PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Pickerington Public Library, Fairfield County, Ohio (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 Pickerington Local School Board. 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.

The Friends of Library Foundation, a legally separate entity, is a not-for-profit organization that was established to support the Library. The financial activity of the Foundation is not included in the financial statements of the Library.

**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.

**2. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library's Capital Projects Fund was used to purchase a tract of land in 2001.

**PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD 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 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	\$450,890	\$1,901
Certificates of deposit	0	433,250
Total deposits	450,890	435,151
STAR Ohio	530,646	521,221
Repurchase agreement	75,005	51,245
Total investments	605,651	572,466
Total deposits and investments	\$1,056,541	\$1,007,617

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Library.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

The Library's financial institution transfers the securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name.

**PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,387,576	\$1,302,700	\$84,876
Capital Projects	800,000	0	800,000
Total	\$2,187,576	\$1,302,700	\$884,876

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,680,884	\$1,579,366	\$101,518
Capital Projects	695,394	167,562	527,832
Total	\$2,376,278	\$1,746,928	\$629,350

**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.

**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 and 2001. The Library has paid all contributions required through December 31, 2002.

PICKERINGTON PUBLIC LIBRARY  
FAIRFIELD 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:

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



**Auditor of State  
Betty Montgomery**

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

Pickerington Public Library  
Fairfield County  
201 Opportunity Way  
Pickerington, Ohio 43147

To the Board of Trustees:

We have audited the accompanying financial statements of the Pickerington Public Library, Fairfield County, Ohio (the Library), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated June 20, 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 June 20, 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.

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Pickerington Public Library  
Fairfield County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

June 20, 2003



**Auditor of State  
Betty Montgomery**

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**PICKERINGTON PUBLIC LIBRARY**

**FAIRFIELD 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 31, 2003**