



**Auditor of State
Betty Montgomery**

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Weston Public Library
Wood County
13153 Main Street, P.O. Box 345
Weston, Ohio 43569-0345

To the Board of Trustees:

We have audited the accompanying financial statements of the Weston Public Library, Wood County, (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 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 May 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.

Weston Public Library
Wood 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

May 16, 2003

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

**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, 2002**

	<u>General</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Other Government Grants-In-Aid	\$417,392		\$417,392
Patron Fines and Fees	8,427		8,427
Earnings on Investments	17,561	\$9,203	26,764
Contributions, Gifts and Donations	2,975		2,975
Miscellaneous Receipts	7,563		7,563
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	453,918	9,203	463,121
Cash Disbursements:			
Current:			
Salaries	188,060		188,060
Employee Fringe Benefits	51,797		51,797
Purchased and Contracted Services	54,031		54,031
Library Materials and Information	71,704	9,959	81,663
Supplies	16,155		16,155
Other Objects	3,888		3,888
Capital Outlay	265		265
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	385,900	9,959	395,859
Total Cash Receipts Over/ (Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	68,018	(756)	67,262
Other Financing (Disbursements):			
Other Financing Uses		(2,200)	(2,200)
Excess of Cash Receipts Over/ (Under) Disbursements and Other Financing Disbursements			
	68,018	(2,956)	65,062
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	686,512	181,029	867,541
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$754,530	\$178,073	\$932,603
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	<u>\$719</u>	<u></u>	<u>\$719</u>

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

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

**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**

	<u>General</u>	<u>Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Other Government Grants-In-Aid	\$452,800		\$452,800
Patron Fines and Fees	7,741		7,741
Earnings on Investments	28,716	\$10,351	39,067
Contributions, Gifts and Donations	966		966
Miscellaneous Receipts	942		942
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	491,165	10,351	501,516
Cash Disbursements:			
Current:			
Salaries	180,457		180,457
Employee Fringe Benefits	43,922		43,922
Purchased and Contracted Services	66,949		66,949
Library Materials and Information	62,911	6,784	69,695
Supplies	16,260		16,260
Other Objects	4,257		4,257
Capital Outlay	3,097		3,097
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	377,853	6,784	384,637
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	113,312	3,567	116,879
Other Financing Receipts and (Disbursements):			
Other Financing Sources	5		5
Other Financing Uses		(2,200)	(2,200)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts and (Disbursements)	5	(2,200)	(2,195)
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	113,317	1,367	114,684
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	573,195	179,662	752,857
Fund Cash Balances, December 31	<hr/> \$686,512 <hr/>	<hr/> \$181,029 <hr/>	<hr/> \$867,541 <hr/>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>
	\$623		\$623

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

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Weston Public Library, Wood 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 seven-member Board of Trustees appointed by the Ostego 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.

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, U.S. Treasury Notes, and U.S. Agency/Instrumentality securities 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. 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.

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

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

Ambrose Henning Family Memorial Trust Fund – Fund is administered by Sky Investment and Trust Services. Interest earned on the account is used solely for the purchase of books in accordance with the trust agreement.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund 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 retirement, 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	\$156,137	\$104,166
Certificates of deposit	268,058	257,921
Savings account	9,998	
Total deposits	434,193	362,087
U.S. Treasury Notes		29,854
U.S. Agency/Instrumentality Securities	163,443	146,583
STAR Ohio	334,967	329,017
Total investments	498,410	505,454
Total deposits and investments	\$932,603	\$867,541

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

Investments: U.S. Treasury Notes and Agency/Instrumentality Securities are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WESTON PUBLIC LIBRARY
WOOD 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	\$480,023	\$386,619	\$93,404
Fiduciary	13,040	12,159	881
Total	\$493,063	\$398,778	\$94,285

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$477,900	\$378,476	\$99,424
Fiduciary	10,040	8,984	1,056
Total	\$487,940	\$387,460	\$100,480

4. GRANTS-IN-AID AND TAX 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 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 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries for 2002 and 2001. The Library has paid all contributions required through December 31, 2002.

**WESTON PUBLIC LIBRARY
WOOD COUNTY**

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

6. RISK MANAGEMENT

Commercial Insurance

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

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



**Auditor of State
Betty Montgomery**

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

Weston Public Library
Wood County
13153 Main Street, P.O. Box 345
Weston, Ohio 43569-0345

To the Board of Trustees:

We have audited the accompanying financial statements of the Weston Public Library, Wood County, (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 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.

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

May 16, 2003



**Auditor of State
Betty Montgomery**

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WESTON PUBLIC LIBRARY

WOOD 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 8, 2003**