



**Auditor of State
Betty Montgomery**

WASHINGTON COUNTY PUBLIC LIBRARY
WASHINGTON COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Washington County Public Library
Washington County
615 Fifth Street
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the accompanying financial statement of the Washington County Public Library, Washington County, Ohio (the Library), as of and for the year ended December 31, 2003. This financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement 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 statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Washington County Public Library, Washington County, as of December 31, 2003, 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 January 30, 2004 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 audit committee, management, the Board of Trustees and other officials authorized to receive this report under Section 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

January 30, 2004

**WASHINGTON COUNTY PUBLIC LIBRARY
WASHINGTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Government Grants-In-Aid	\$ 2,341,999	\$	\$	\$ 2,341,999
Patron Fines and Fees	69,648			69,648
Earnings on Investments	10,104			10,104
Contributions, Gifts and Donations	3,833	575	1,000	5,408
Miscellaneous Receipts	1,671			1,671
Total Cash Receipts	<u>2,427,255</u>	<u>575</u>	<u>1,000</u>	<u>2,428,830</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	1,466,873			1,466,873
Supplies	57,239			57,239
Purchased and Contracted Services	334,006			334,006
Library Materials and Information	273,832	3,109		276,941
Other	11,413			11,413
Capital Outlay	66,068		79,669	145,737
Total Cash Disbursements	<u>2,209,431</u>	<u>3,109</u>	<u>79,669</u>	<u>2,292,209</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>217,824</u>	<u>(2,534)</u>	<u>(78,669)</u>	<u>136,621</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			36,000	36,000
Transfers-Out	(36,000)			(36,000)
Total Other Financing Receipts/(Disbursements)	<u>(36,000)</u>	<u>0</u>	<u>36,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>181,824</u>	<u>(2,534)</u>	<u>(42,669)</u>	<u>136,621</u>
Fund Cash Balances, January 1	<u>349,155</u>	<u>21,508</u>	<u>567,265</u>	<u>937,928</u>
Fund Cash Balances, December 31	<u>\$ 530,979</u>	<u>\$ 18,974</u>	<u>\$ 524,596</u>	<u>\$ 1,074,549</u>
Reserve for Encumbrances, December 31	<u>\$ 96,593</u>	<u>\$ 0</u>	<u>\$ 141,060</u>	<u>\$ 237,653</u>

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

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**WASHINGTON COUNTY PUBLIC LIBRARY
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Washington County Public Library, Washington 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 directed by a seven-member Board of Trustees of which three are appointed by the Washington County Court of Common Pleas, and four are appointed by the Washington County Commissioners. The Library provides the community with various educational and literary resources.

The Library's management believes this financial statement presents all activities for which the Library is financially accountable.

B. Basis of Accounting

This financial statement follows 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).

This statement includes 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.

The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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. Special Revenue Fund

This fund is used to account for proceeds from specific sources (other than from capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Curran Fund - This fund is used to account for proceeds used from a donation.

WASHINGTON COUNTY PUBLIC LIBRARY
WASHINGTON COUNTY

NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant Capital Project Fund:

Belpre Branch Building and Improvement Fund – This fund receives restricted contributions, gifts, donations to maintain, construct, repair, furnish, and equip the Library's buildings.

E. Budgetary Process

The Board of Trustees 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 2003 budgetary activity appears in Note 3.

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 statement.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

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 was as follows:

Demand deposits	\$ 1,030,315
Petty cash	809
Total deposits	<u>1,031,124</u>
STAROhio	43,425
Total investments	<u>43,425</u>
Total deposits and investments	<u>\$ 1,074,549</u>

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

**WASHINGTON COUNTY PUBLIC LIBRARY
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2003, follows:

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,342,022	\$ 2,342,024	\$ (2)
Special Revenue	3,109	3,109	0
Capital Projects	221,497	220,729	768
Total	\$ 2,566,628	\$ 2,565,862	\$ 766

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 on account of any additional revenues realized by the Library.

5. RETIREMENT SYSTEM

The Library's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003, members of 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 employer contributions required through December 31, 2003.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

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

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**Auditor of State
Betty Montgomery**

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

Washington County Public Library
Washington County
615 Fifth Street
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the accompanying financial statement of the Washington County Public Library, Washington County, Ohio (the Library), as of and for the year ended December 31, 2003, and have issued our report thereon dated January 30, 2004. 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 statement is 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 statement 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.

Washington County Public Library
Washington County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, 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

January 30, 2004



**Auditor of State
Betty Montgomery**

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WASHINGTON COUNTY PUBLIC LIBRARY

WASHINGTON 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
MARCH 11, 2004**