



**Auditor of State  
Betty Montgomery**



**BRADFORD PUBLIC LIBRARY  
MIAMI COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Bradford Public Library  
Miami County  
138 East Main Street  
Bradford, Ohio 45308

To the Board of Trustees:

We have audited the accompanying financial statements of the Bradford Public Library, Miami County, (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 combined fund cash balances and reserve for encumbrances of the Library as of December 31, 2002 and December 31, 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 April 10, 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.

Bradford Public Library  
Miami 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

April 10, 2003

**BRADFORD PUBLIC LIBRARY  
MIAMI 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Government Grants-In-Aid	\$208,008		\$208,008
Patron Fines and Fees	7,404		7,404
Earnings on Investments	3,224	\$7,494	10,718
Contributions, Gifts and Donations	375		375
Miscellaneous Receipts	328		328
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	219,339	7,494	226,833
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Benefits	106,781		106,781
Purchased and Contracted Services	30,174		30,174
Supplies	7,821		7,821
Library Materials and Information	44,432		44,432
Other Objects	1,045		1,045
Capital Outlay	6,309		6,309
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	196,562		196,562
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	22,777	7,494	30,271
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts:</b>			
Proceeds from Sales of Property	352		352
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts	352		352
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	23,129	7,494	30,623
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	190,277	414,391	604,668
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$213,406</b>	<b>\$421,885</b>	<b>\$635,291</b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	\$131	\$0	\$131
	<hr/>	<hr/>	<hr/>

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

**BRADFORD PUBLIC LIBRARY  
MIAMI COUNTY**

**COMBINED 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Government Grants-In-Aid	\$221,757		\$221,757
Patron Fines and Fees	5,553		5,553
Earnings on Investments	4,408	\$16,475	20,883
Contributions, Gifts and Donations	19,787		19,787
Miscellaneous Receipts	345		345
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	251,850	16,475	268,325
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Salaries and Benefits	79,518		79,518
Purchased and Contracted Services	29,238		29,238
Supplies	8,104		8,104
Library Materials and Information	42,948		42,948
Other Objects	1,069		1,069
Capital Outlay	31,437		31,437
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	192,314		192,314
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	59,536	16,475	76,011
	<hr/>	<hr/>	<hr/>
<b>Other Financing Receipts:</b>			
Proceeds from Sales of Property	300		300
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts	300		300
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	59,836	16,475	76,311
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	130,441	397,916	528,357
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$190,277</u></b>	<b><u>\$414,391</u></b>	<b><u>\$604,668</u></b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$752</u>	<u>\$0</u>	<u>\$752</u>

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



**BRADFORD PUBLIC LIBRARY  
MIAMI COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bradford Public Library, Miami 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 Bradford Exempted Village 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.

Investment in STAR Ohio (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. 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:

**Building and Repair Fund** – The fund proceeds will be used for an addition to the library.

**BRADFORD PUBLIC LIBRARY  
MIAMI 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. 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.

**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:

	<u>2002</u>	<u>2001</u>
Demand deposits	213,406	190,277
STAR Ohio	421,885	414,391
Total deposits and investments	<u>\$635,291</u>	<u>\$604,668</u>

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

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

**BRADFORD PUBLIC LIBRARY  
MIAMI 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 December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$229,898	\$219,691	(\$10,207)
Capital Projects	12,000	7,494	(4,506)
Total	\$241,898	\$227,185	(\$14,713)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$410,626	\$196,693	\$213,933
Capital Projects	426,391	0	426,391
Total	\$837,017	\$196,693	\$640,324

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$231,402	\$252,150	\$20,748
Capital Projects	20,000	16,475	(3,525)
Total	\$251,402	\$268,625	\$17,223

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$361,842	\$193,066	\$168,776
Capital Projects	417,916	0	417,916
Total	\$779,758	\$193,066	\$586,692

**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.

**BRADFORD PUBLIC LIBRARY  
MIAMI 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 Bradford Public Library has obtained commercial insurance for the following risks:

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

**7. RELATED PARTY TRANSACTIONS**

The spouse of a Board Trustee is employed by the Library. The Trustee has abstained from voting on any action related to his spouse's employment with and compensation from the Library.



## **Auditor of State Betty Montgomery**

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

Bradford Public Library  
Miami County  
138 East Main Street  
Bradford, Ohio 45308

To the Board of Trustees:

We have audited the accompanying financial statements of the Bradford Public Library, Miami County, (the Library), as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 10, 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.

Bradford Public Library  
Miami 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 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 10, 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

**BRADFORD PUBLIC LIBRARY**

**MIAMI 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**