



**Auditor of State  
Betty Montgomery**



LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Logan County District Library  
Logan County  
220 North Main Street  
Bellefontaine, Ohio 43311

To the Board of Trustees:

We have audited the accompanying financial statements of the Logan County District 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 fund cash balances of the Library as of December 31, 2002 and 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 August 29, 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.

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Logan 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

August 29, 2003

**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Library and Local Government Support	\$1,485,766			\$1,485,766
Patron Fines and Fees	35,058			35,058
Earnings on Investments	6,479	32,546	2,529	41,554
Contributions, Gifts and Donations	3,749			3,749
Miscellaneous Receipts	1,805			1,805
	<u>1,532,857</u>	<u>32,546</u>	<u>2,529</u>	<u>1,567,932</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	764,317			764,317
Purchased and Contracted Services	173,072			173,072
Supplies	57,321			57,321
Library Materials and Information	224,128			224,128
Other Objects	6,442		3,000	9,442
Capital Outlay	90,467	199,159		289,626
	<u>1,315,747</u>	<u>199,159</u>	<u>3,000</u>	<u>1,517,906</u>
Total Cash Receipts Over/(Under) Cash Disbursements	217,110	(166,613)	(471)	50,026
Fund Cash Balances, January 1	299,702	1,639,083	83,656	2,022,441
<b>Fund Cash Balances, December 31</b>	<u><u>\$516,812</u></u>	<u><u>\$1,472,470</u></u>	<u><u>\$83,185</u></u>	<u><u>\$2,072,467</u></u>

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

**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Library and Local Government Support	\$1,610,988			\$1,610,988
Patron Fines and Fees	35,803			35,803
Earnings on Investments	14,082	93,561	7,110	114,753
Contributions, Gifts and Donations	2,061	55,982		58,043
Miscellaneous Receipts	5,282			5,282
	<u>1,668,216</u>	<u>149,543</u>	<u>7,110</u>	<u>1,824,869</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	749,432			749,432
Purchased and Contracted Services	164,472	11,026		175,498
Supplies	55,858			55,858
Library Materials and Information	215,226			215,226
Other Objects	14,308		5,000	19,308
Capital Outlay	63,356	100,461		163,817
	<u>1,262,652</u>	<u>111,487</u>	<u>5,000</u>	<u>1,379,139</u>
Total Cash Receipts Over Cash Disbursements	<u>405,564</u>	<u>38,056</u>	<u>2,110</u>	<u>445,730</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In		200,000		200,000
Transfers-Out	(200,000)			(200,000)
	<u>(200,000)</u>	<u>200,000</u>		
Total Other Financing Receipts/(Disbursements)	<u>(200,000)</u>	<u>200,000</u>		
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	205,564	238,056	2,110	445,730
Fund Cash Balances, January 1	<u>94,138</u>	<u>1,401,027</u>	<u>81,546</u>	<u>1,576,711</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$299,702</u></u>	<u><u>\$1,639,083</u></u>	<u><u>\$83,656</u></u>	<u><u>\$2,022,441</u></u>

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



**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Logan County District Library (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 Logan County Board of County Commissioners and the Logan County Court of Common Pleas. 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**

Certificates of deposit and the overnight repurchase agreement are valued at cost.

**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's Capital Project Fund is used for building construction and repair.

**3. 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. Other trust funds are classified as expendable. The Library has one expendable trust fund. The Susie Parker Scholarship Fund receives interest income to award scholarships to graduating high school students.

**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	2002	2001
Demand deposits	\$1,204,253	\$1,213,683
Certificates of deposit	530,185	738,533
Total deposits	1,734,438	1,952,216
Overnight repurchase agreement	338,029	70,225
Total deposits and investments	\$2,072,467	\$2,022,441

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

**3. BUDGETARY ACTIVITY**

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

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,635,937	\$1,532,857	(\$103,080)
Capital Projects	180,100	32,546	(147,554)
Fiduciary	2,230	2,529	299
Total	\$1,818,267	\$1,567,932	(\$250,335)

**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,935,639	\$1,315,747	\$619,892
Capital Projects	1,819,183	199,159	1,620,024
Fiduciary	85,886	3,000	82,886
Total	\$3,840,708	\$1,517,906	\$2,322,802

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,685,213	\$1,668,216	(\$16,997)
Capital Projects	236,082	349,543	113,461
Fiduciary	5,000	7,110	2,110
Total	\$1,926,295	\$2,024,869	\$98,574

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,779,351	\$1,462,652	\$316,699
Capital Projects	1,637,109	111,487	1,525,622
Fiduciary	86,546	5,000	81,546
Total	\$3,503,006	\$1,579,139	\$1,923,867

**4. LIBRARY AND LOCAL GOVERNMENT SUPPORT**

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.

**LOGAN COUNTY DISTRICT LIBRARY  
LOGAN COUNTY**

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

**5. RETIREMENT SYSTEM**

The Library's 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. 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.

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- General liability and casualty
- Public Officials Liability
- Inland Marine
- Commercial Crime
- Business Auto
- Errors and Omissions
- Boiler and Machinery

The Library also provided health insurance to full-time employees through a private carrier.



**Auditor of State  
Betty Montgomery**

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

Logan County District Library  
Logan County  
220 North Main Street  
Bellefontaine, Ohio 43311

To the Board of Trustees:

We have audited the accompanying financial statements of the Logan County District Library (the "Library") as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 29, 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.

Logan County District Library  
Logan 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

August 29, 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

**LOGAN COUNTY DISTRICT LIBRARY**

**LOGAN 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  
SEPTEMBER 23, 2003**