



Mary Taylor, CPA
Auditor of State

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

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Mary Taylor, CPA
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Briggs Lawrence County Public Library
Lawrence County
321 South 4th Street
Ironton, Ohio 45638

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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September 30, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Briggs Lawrence County Public Library
Lawrence County
321 South 4th Street
Ironton, Ohio 45638

To the Board of Trustees:

We have audited the accompanying financial statements of the Briggs Lawrence County Public Library, Lawrence County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the Library's larger (i.e., major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, 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 Briggs Lawrence County Public Library, Lawrence County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2009, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

September 30, 2009

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$2,300,084		\$2,300,084
Patron Fines and Fees	50,477		50,477
Earnings on Investments	5,174		5,174
Contributions, Gifts and Donations	1,180	\$4,263	5,443
Miscellaneous	9,503	2,029	11,532
	<u>2,366,418</u>	<u>6,292</u>	<u>2,372,710</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries	1,269,876		1,269,876
Employee Fringe Benefits	522,416		522,416
Purchased and Contractual Services	248,652		248,652
Library Materials and Information	199,692		199,692
Supplies	62,386		62,386
Other	2,625		2,625
Capital Outlay	56,551	47,687	104,238
	<u>2,362,198</u>	<u>47,687</u>	<u>2,409,885</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	4,220	(41,395)	(37,175)
Fund Cash Balances, January 1	532,550	176,040	708,590
	<u>532,550</u>	<u>176,040</u>	<u>708,590</u>
Fund Cash Balances, December 31	<u>536,770</u>	<u>134,645</u>	<u>671,415</u>
Reserve for Encumbrances, December 31	<u>97,074</u>	<u>\$0</u>	<u>97,074</u>

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

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$2,337,815		\$2,337,815
Patron Fines and Fees	45,098		45,098
Earnings on Investments	7,317		7,317
Contributions, Gifts and Donations	1,050	\$3,813	4,863
Miscellaneous	4,054	15,848	19,902
	<u>2,395,334</u>	<u>19,661</u>	<u>2,414,995</u>
Total Cash Receipts			
	<u>2,395,334</u>	<u>19,661</u>	<u>2,414,995</u>
Cash Disbursements:			
Current:			
Salaries	1,300,854		1,300,854
Employee Fringe Benefits	495,428		495,428
Purchased and Contractual Services	259,157		259,157
Library Materials and Information	231,623		231,623
Supplies	47,227		47,227
Other	8,558		8,558
Capital Outlay	52,330	787,094	839,424
	<u>2,395,177</u>	<u>787,094</u>	<u>3,182,271</u>
Total Cash Disbursements			
	<u>2,395,177</u>	<u>787,094</u>	<u>3,182,271</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>157</u>	<u>(767,433)</u>	<u>(767,276)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		66,183	66,183
Transfers-Out	(25,000)	(41,183)	(66,183)
	<u>(25,000)</u>	<u>25,000</u>	<u>0</u>
Total Other Financing Receipts (Disbursements)			
	<u>(25,000)</u>	<u>25,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(24,843)</u>	<u>(742,433)</u>	<u>(767,276)</u>
Fund Cash Balances, January 1	<u>557,393</u>	<u>918,473</u>	<u>1,475,866</u>
Fund Cash Balances, December 31	<u><u>\$532,550</u></u>	<u><u>\$176,040</u></u>	<u><u>\$708,590</u></u>
Reserve for Encumbrances, December 31	<u><u>\$190,381</u></u>	<u><u>\$28,324</u></u>	<u><u>\$218,705</u></u>

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

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Briggs Lawrence County Public Library, Lawrence County (the Library), as a body corporate and politic. The Lawrence County Common Pleas Court appoints a six-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources. The Library is involved in the Southeast Regional Library System (SERLS) which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 7.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposit 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 reports all financial resources except those required to be accounted for in another fund.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Capital Projects Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Library had the following significant Capital Project Fund:

Ironton Renovation Fund – This fund received money for the improvement of an existing building.

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 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits

The Library maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2008	2007
Demand deposits	\$226,733	\$612,102
Certificates of deposit	444,357	96,163
Total deposits	671,090	708,265
Cash on Hand	325	325
Total Cash on Hand	325	325
Total deposits and Cash on Hand	\$671,415	\$708,590

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. Equity in Pooled Deposits and Investments (Continued)

For 2007, the cash amounts above include monies placed into an escrow account by the Library for contract retainage payments that will be transferred over to contractors at the completion of the Ironton Renovation Project. This amount was \$19,363.

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Library; or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,357,815	\$2,366,418	\$8,603
Capital Projects	5,700	6,292	592
Total	\$2,363,515	\$2,372,710	\$9,195

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,890,371	\$2,459,272	\$431,099
Capital Projects	162,377	47,687	114,690
Total	\$3,052,748	\$2,506,959	\$545,789

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,387,815	\$2,395,334	\$7,519
Capital Projects	2,500	85,844	83,344
Total	\$2,390,315	\$2,481,178	\$90,863

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,104,392	\$2,610,558	\$493,834
Capital Projects	739,586	856,601	(117,015)
Total	\$3,843,978	\$3,467,159	\$376,819

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity (Continued)

Transfers out were included in the budgetary expenditures above due to the fact the Library did approve the appropriations for these as they were approved throughout the year. However, the transfers in were not included above in budgeted receipts because they were not estimated on the Certificates of Estimated Resources as revenue expected to be received during the year.

4. Grants-In-Aid

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF 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 Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Library contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2008.

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.

7. Jointly Governed Organization

The Southeast Regional Library System (SERLS) is an area Library service organization created and governed according to the provisions of Section 3375.90 of the Ohio Revised Code. SERLS is composed of several Ohio counties, including Lawrence County. SERLS's Board of Trustees consists of the Director from each of the member Libraries. The Briggs Lawrence County Public Library's control over budgeting and financing of SERLS is limited to its voting authority and its representation on SERLS's Board of Trustees.

**BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY
LAWRENCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

8. Related Party Transactions

The Library pays an annual fee as well as service fees to the Southeast Regional Library System (SERLS), a jointly governed organization, of which the Library is a member. SERLS provides training programs and technology support services for which the member libraries are billed each month. The Library paid \$2,200 to SERLS for annual dues and fees for services provided and \$18,601.43 for dental/vision provided through SERLS in 2007. The Library paid \$2,300 to SERLS for annual dues and fees for services provided and \$20,232 for dental/vision insurances provided through SERLS in 2008.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Briggs Lawrence County Public Library
Lawrence County
321 South 4th Street
Ironton, Ohio 45636

To the Board of Trustees:

We have audited the financial statements of the Briggs Lawrence County Public Library, Lawrence County, Ohio (the Library), as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 30, 2009, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Library's management in a separate letter dated September 30, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Library Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 30, 2009



Mary Taylor, CPA
Auditor of State

BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY

LAWRENCE 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
OCTOBER 19, 2009**