



**Auditor of State
Betty Montgomery**

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Nonexpendable Trust Fund - For the Year Ended December 31, 2002.....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Nonexpendable Trust Fund - For the Year Ended December 31, 2001.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Delta Public Library
Fulton County
402 Main Street
Delta, OH 43515-1304

To the Board of Trustees:

We have audited the accompanying financial statements of the Delta Public Library, Fulton 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 audits 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 audits 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 audits provide 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 July 28, 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.

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

July 28, 2003

**DELTA PUBLIC LIBRARY
FULTON 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$100,181			\$100,181
Other Government Grants-In-Aid	314,734	\$15,000		329,734
Patron Fines and Fees	13,760			13,760
Earnings on Investments	13,581		\$3,259	16,840
Contributions, Gifts and Donations	32,586			32,586
	<u>474,842</u>	<u>15,000</u>	<u>3,259</u>	<u>493,101</u>
Cash Disbursements:				
Current:				
Salaries	187,329			187,329
Employee Fringe Benefits	31,499			31,499
Purchased and Contractual Services	56,872	1,000		57,872
Library Materials and Information	61,927			61,927
Supplies	11,387	2,068		13,455
Other	6,600			6,600
Capital Outlay	28,363	16,932	9,444	54,739
	<u>383,977</u>	<u>20,000</u>	<u>9,444</u>	<u>413,421</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>90,865</u>	<u>(5,000)</u>	<u>(6,185)</u>	<u>79,680</u>
Other Financing Receipts/(Disbursements):				
Proceeds from Sales of Fixed Assets	1,103			1,103
Transfers-In		5,000		5,000
Transfers-Out	(5,000)			(5,000)
	<u>(3,897)</u>	<u>5,000</u>		<u>1,103</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	86,968		(6,185)	80,783
Fund Cash Balances, January 1	<u>366,057</u>		<u>182,986</u>	<u>549,043</u>
Fund Cash Balances, December 31	<u>\$453,025</u>		<u>\$176,801</u>	<u>\$629,826</u>
Reserves for Encumbrances, December 31	<u>\$17,884</u>			<u>\$17,884</u>

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

DELTA PUBLIC LIBRARY
FULTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>\$1,912</u>
Fund Cash Balances, December 31	<u><u>\$1,912</u></u>
Reserves for Encumbrances, December 31	<u><u> </u></u>

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

**DELTA PUBLIC LIBRARY
FULTON 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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$102,742		\$102,742
Other Government Grants-In-Aid	334,496		334,496
Patron Fines and Fees	13,813		13,813
Earnings on Investments	14,720	\$6,528	21,248
Contributions, Gifts and Donations	66,434	78	66,512
Miscellaneous Receipts	275		275
	<hr/>		<hr/>
Total Cash Receipts	532,480	6,606	539,086
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries	186,834		186,834
Employee Fringe Benefits	27,845		27,845
Purchased and Contractual Services	62,696		62,696
Library Materials and Information	60,753		60,753
Supplies	11,233		11,233
Other	10,231		10,231
Capital Outlay	17,739	22,435	40,174
	<hr/>		<hr/>
Total Cash Disbursements	377,331	22,435	399,766
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	155,149	(15,829)	139,320
	<hr/>		<hr/>
Other Financing Receipts:			
Proceeds from Sales of Fixed Assets	84		84
	<hr/>		<hr/>
Total Other Financing Receipts	84		84
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	155,233	(15,829)	139,404
	<hr/>		<hr/>
Fund Cash Balances, January 1	210,824	198,815	409,639
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$366,057</u>	<u>\$182,986</u>	<u>\$549,043</u>
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	<u>\$17,773</u>	<u>\$5,075</u>	<u>\$22,848</u>

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

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Nonexpendable Trust</u>
Fund Cash Balances, January 1	<u>\$1,912</u>
Fund Cash Balances, December 31	<u><u>\$1,912</u></u>
Reserves for Encumbrances, December 31	<u><u> </u></u>

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

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delta Public Library, Fulton 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 Pike-Delta-York Local School District. 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.

Certificates of deposit are valued at cost. The 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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant special revenue funds:

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

LSTA Grant Fund – This fund received monies from the state in fiscal year 2002 only to be used towards computer and other office equipment for the Library's computer lab.

3. 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 funds:

Present Building Fund – This fund receives monies from general operations and interest earned on investments to be used to maintain the current library.

New Building Fund – This fund receives monies from general operations, interest earned on investments and donations to be used toward the construction of a new building.

5. 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. The Library had the following significant fiduciary funds:

Welch/Bratton Fund – The principal (corpus) balance of these trusts are maintained in this fund.

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 and function 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. Unpaid Vacation

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation is 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 follows:

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

	2002	2001
Demand deposits	\$47,421	\$61,122
Certificates of deposit	443,912	351,912
Total deposits	491,333	413,034
STAR Ohio	140,255	137,771
Total investments	140,255	137,771
Total deposits and investments	\$631,588	\$550,805

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

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

Cash on hand: The Library maintains a \$150 petty cash and change fund.

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	\$550,900	\$406,861	\$144,039
Special Revenue	20,000	20,000	
Capital Projects	20,000	9,444	10,556
Total	\$590,900	\$436,305	\$154,595

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$558,400	\$395,104	\$163,296
Capital Projects	70,000	27,510	42,490
Total	\$628,400	\$422,614	\$205,786

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

**DELTA PUBLIC LIBRARY
FULTON COUNTY**

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

reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

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. The Library has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

Commercial Insurance

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

- General liability.
- Property.
- Inland Marine.
- Auto.
- Broiler Machinery.
- Errors and omissions.



**Auditor of State
Betty Montgomery**

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

Delta Public Library
Fulton County
402 Main Street
Delta, OH 43515-1304

To the Board of Trustees:

We have audited the accompanying financial statements of the Delta Public Library, Fulton County, (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 28, 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

July 28, 2003



**Auditor of State
Betty Montgomery**

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DELTA PUBLIC LIBRARY

FULTON 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 2, 2003**