



**Auditor of State
Betty Montgomery**

**BUCYRUS PUBLIC LIBRARY
CRAWFORD 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 and Fiduciary Fund Types For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Bucyrus Public Library, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2003, and December 31, 2002. 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 accounting principles generally accepted in the United States of America.

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 Bucyrus Public Library, Crawford County, Ohio, as of December 31, 2003, and December 31, 2002, 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 March 29, 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 management, the 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

March 29, 2004

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Library Local Government Support	\$632,362	\$0	\$0	\$0	\$632,362
Patrons Fines and Fees	5,578	0	0	0	5,578
Earnings on Investments	29,834	0	13,817	29,315	72,966
Contributions, Gifts and Donatins	3,560	0	0	67,070	70,630
Other Receipts	17,347	0	0	0	17,347
	<u>688,681</u>	<u>0</u>	<u>13,817</u>	<u>96,385</u>	<u>798,883</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	340,638	0	0	233	340,871
Purchased and Contracted Services	109,330	0	0	0	109,330
Library Materials	72,322	37,968	0	17,786	128,076
Supplies	31,713	598	0	0	32,311
Other Objects	4,219	1,693	0	0	5,912
Capital Outlay	6,748	37,302	2,289	0	46,339
	<u>564,970</u>	<u>77,561</u>	<u>2,289</u>	<u>18,019</u>	<u>662,839</u>
Total Cash Disbursements					
Excess of Cash Receipts Over/(Under) Cash Disbursements	123,711	(77,561)	11,528	78,366	136,044
Fund Cash Balances, January 1, 2003	150,914	80,166	1,114,865	1,752,435	3,098,380
Fund Cash Balances, December 31, 2003	<u>\$274,625</u>	<u>\$2,605</u>	<u>\$1,126,393</u>	<u>\$1,830,801</u>	<u>\$3,234,424</u>
Reserve for Encumbrances, December 31, 2003	<u>\$19,884</u>	<u>\$1,303</u>	<u>\$9,061</u>	<u>\$0</u>	<u>\$30,248</u>

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Library Local Government Support	\$639,236	\$0	\$0	\$0	\$639,236
Patrons Fines and Fees	5,219	0	0	0	5,219
Earnings on Investments	22,841	0	28,582	54,442	105,865
Contributions, Gifts and Donations	2,760	152,380	0	14,916	170,056
Other Receipts	10,455	0	0	0	10,455
Total Cash Receipts	680,511	152,380	28,582	69,358	930,831
Cash Disbursements:					
Current:					
Salaries and Benefits	324,529	0	0	1,440	325,969
Purchased and Contracted Services	134,744	0	0	0	134,744
Library Materials	94,725	25,102	0	8,816	128,643
Supplies	28,286	947	0	0	29,233
Other Objects	4,663	7,557	0	0	12,220
Capital Outlay	6,286	47,858	0	0	54,144
Total Cash Disbursements	593,233	81,464	0	10,256	684,953
Excess of Cash Receipts Over Cash Disbursements	87,278	70,916	28,582	59,102	245,878
Other Financing Receipts/(Disbursements):					
Transfers-In	0	0	150,000	0	150,000
Transfers-Out	(150,000)	0	0	0	(150,000)
Total Other Financing Receipts/(Disbursements)	(150,000)	0	150,000	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(62,722)	70,916	178,582	59,102	245,878
Fund Cash Balances, January 1, 2002	213,636	9,250	936,283	1,693,333	2,852,502
Fund Cash Balances, December 31, 2002	<u>\$150,914</u>	<u>\$80,166</u>	<u>\$1,114,865</u>	<u>\$1,752,435</u>	<u>\$3,098,380</u>
Reserve for Encumbrances, December 31, 2002	<u>\$16,681</u>	<u>\$19,192</u>	<u>\$0</u>	<u>\$2,696</u>	<u>\$38,569</u>

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Bucyrus Public Library, Crawford County, Ohio, (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 six-member Board of Trustees appointed by the City of Bucyrus. 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 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.

Certificates of deposit are valued at cost. Common stock is valued at fair value when donated. The investment in STAR Ohio (the State Treasurer's Investment Pool) is recorded at share values reported by the Treasurer of State.

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 fund types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except for 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 Fund:

Timken Grant Fund – This fund receives grant money from the Timken Foundation for enhancement of the Library.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects 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 trust funds). The Library had the following significant Capital Projects Fund:

Building Fund – This fund receives money for the acquisition of an additional building for the Library.

4. 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 non-expendable trust fund. Other trust funds are classified as expendable. The Library had the following significant Fiduciary Funds:

Ursula Mills Expendable Trust Fund – This fund receives money from contributions, gifts, and donations. The revenue is used for the purchase of books for the Library.

Eleanor Lamb Non-Expendable Trust Fund – This fund receives money from interest earned on the Eleanor Lamb Trust. The revenue earned is used for the purchase of books for the Library.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually. 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 2003 and 2002 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.

F. 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.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment 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:

	2003	2002
Demand deposits	\$752,816	\$851,983
Certificates of deposit	2,476,550	2,232,577
Petty cash	100	100
Total deposits and petty cash	3,229,466	3,084,660
STAR Ohio	0	8,762
Common stock	4,958	4,958
Total investments	4,958	13,720
Total deposits and investments	\$3,234,424	\$3,098,380

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. Equity securities are held in book entry form by a financial institution's trust department in the Library's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
General	\$660,726	\$688,681	\$27,955
Special Revenue	1,495	0	(1,495)
Capital Projects	27,800	13,817	(13,983)
Fiduciary	48,490	96,385	47,895
Total	\$738,511	\$798,883	\$60,372

2003 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
General	\$644,431	\$584,854	\$59,577
Special Revenue	99,519	78,864	20,655
Capital Projects	1,114,864	11,350	1,103,514
Fiduciary	1,739,768	18,019	1,721,749
Total	\$3,598,582	\$693,087	\$2,905,495

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$714,202	\$680,511	(\$33,691)
Special Revenue	0	152,380	152,380
Capital Projects	32,000	178,582	146,582
Fiduciary	85,110	69,358	(15,752)
Total	\$831,312	\$1,080,831	\$249,519

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$637,135	\$759,914	(\$122,779)
Special Revenue	161,668	100,656	61,012
Capital Projects	900,000	0	900,000
Fiduciary	1,671,405	12,952	1,658,453
Total	\$3,370,208	\$873,522	\$2,496,686

4. LIBRARY 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 any additional revenues the Library receives.

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 for 2003 and 2002. The Library has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

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

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Bucyrus Public Library, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated March 29, 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 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*. However, we noted immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated March 29, 2004.

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. However, we noted certain other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the Library in a separate letter dated March 29, 2004.

This report is intended solely for the information and use of 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

March 29, 2004



**Auditor of State
Betty Montgomery**

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BUCYRUS PUBLIC LIBRARY

CRAWFORD 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 10, 2004**