



**Auditor of State
Betty Montgomery**

UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Upper Sandusky Community Library
Wyandot County
301 North Sandusky Avenue
Upper Sandusky, Ohio 43351

To the Board of Trustees:

We have audited the accompanying financial statements of the Upper Sandusky Community Library, Wyandot 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 fund cash balances and reserves for encumbrances of the Upper Sandusky Community Library, Wyandot County, Ohio, as of December 31, 2003, and December 31, 2002, 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 May 19, 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.

Upper Sandusky Community Library
Wyandot County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the review committee, 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

May 19, 2004

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Library Local Government Support	\$343,760	\$0	\$343,760
Patrons Fines and Fees	13,115	0	13,115
Earnings on Investments	12,790	0	12,790
Contributions, Gifts and Donations	8,144	0	8,144
Other Receipts	2,604	0	2,604
 Total Cash Receipts	 380,413	 0	 380,413
Cash Disbursements:			
Current:			
Salaries	207,296	0	207,296
Employee Fringe Benefits	63,533	0	63,533
Purchased and Contracted Services	48,559	0	48,559
Library Materials	56,875	0	56,875
Supplies	12,338	0	12,338
Other Objects	8,027	0	8,027
Capital Outlay	2,210	0	2,210
 Total Cash Disbursements	 398,838	 0	 398,838
 Excess of Cash Receipts (Under) Cash Disbursements	 (18,425)	 0	 (18,425)
 Fund Cash Balances, January 1	 225,328	 426,133	 651,461
 Fund Cash Balances, December 31	 \$206,903	 \$426,133	 \$633,036
 Reserve for Encumbrances, December 31	 \$791	 \$0	 \$791

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

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

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

	<u>General</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Library Local Government Support	\$356,059	\$0	\$356,059
Patrons Fines and Fees	13,202	0	13,202
Earnings on Investments	21,131	0	21,131
Contributions, Gifts and Donations	6,775	0	6,775
Other Receipts	898	0	898
	<u>398,065</u>	<u>0</u>	<u>398,065</u>
Cash Disbursements:			
Current:			
Salaries	222,228	0	222,228
Employee Fringe Benefits	59,173	0	59,173
Purchased and Contracted Services	49,375	0	49,375
Library Materials	59,005	0	59,005
Supplies	16,051	0	16,051
Other Objects	10,736	0	10,736
Capital Outlay	11,358	0	11,358
	<u>427,926</u>	<u>0</u>	<u>427,926</u>
Excess of Cash Receipts (Under) Cash Disbursements	<u>(29,861)</u>	<u>0</u>	<u>(29,861)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	0	25,000	25,000
Transfers-Out	(25,000)	0	(25,000)
	<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	(54,861)	25,000	(29,861)
Fund Cash Balances, January 1	<u>280,189</u>	<u>401,133</u>	<u>681,322</u>
Fund Cash Balances, December 31	<u>\$225,328</u>	<u>\$426,133</u>	<u>\$651,461</u>
Reserve for Encumbrances, December 31	<u>\$408</u>	<u>\$0</u>	<u>\$408</u>

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

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Upper Sandusky Community Library, Wyandot 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 seven-member Board of Trustees appointed by the Upper Sandusky Exempted Village School District 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

Certificates of deposited 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 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. Capital Projects Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects.

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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 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
Deposits	\$76,230	\$68,830
Certificates of deposit	556,706	582,531
Cash on hand	100	100
Total	\$633,036	\$651,461

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.

3. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$407,854	\$380,413	(\$27,441)
	\$407,854	\$380,413	(\$27,441)

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$633,182	\$399,629	\$233,553
Capital Projects	426,132	0	426,132
Total	\$1,059,314	\$399,629	\$659,685

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$411,601	\$398,065	(\$13,536)
Capital Projects	0	25,000	25,000
Total	\$411,601	\$423,065	\$11,464

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$691,790	\$453,334	\$238,456
Capital Projects	401,133	0	401,133
Total	\$1,092,923	\$453,334	\$639,589

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. For 2003 and 2002, 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, 2003.

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

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

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**

Upper Sandusky Community Library
Wyandot County
301 North Sandusky Avenue
Upper Sandusky, Ohio 43351

To the Board of Trustees:

We have audited the accompanying financial statements of the Upper Sandusky Community Library, Wyandot 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 May 19, 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*.

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.

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Upper Sandusky Community Library
Wyandot 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 management, the review committee, 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

May 19, 2004



**Auditor of State
Betty Montgomery**

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UPPER SANDUSKY COMMUNITY LIBRARY

WYANDOT 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
JULY 27, 2004**