



**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Type – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Type – For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Clyde Public Library
Sandusky County
222 West Buckeye Street
Clyde, Ohio 43410-1936

To the Board of Trustees:

We have audited the accompanying financial statements of the Clyde Public Library, Sandusky County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 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, 1999 and 1998, 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 May 3, 2000 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.

This report is intended solely for the information and use of the audit committee, 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 3, 2000

**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, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Property and Other Taxes	\$520,299	\$0	\$0	\$0	\$520,299
Other Government Grants-In-Aid	14,884				14,884
Patron Fines and Fees	12,729				12,729
Earnings on Investments	10,587			6,355	16,942
Contributions, Gifts and Donations	3,541			6,228	9,769
Miscellaneous Receipts	207				207
	<u>562,247</u>	<u>0</u>	<u>0</u>	<u>12,583</u>	<u>574,830</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	212,020				212,020
Supplies	12,992				12,992
Purchased and Contracted Services	65,421				65,421
Library Materials and Information	42,058			6,039	48,097
Other Objects	26,791				26,791
Debt Service:					
Redemption of Principal		147,785			147,785
Interest Payments and Other Financing Fees and Costs		73,143			73,143
Capital Outlay	2,382		15,307	25	17,714
	<u>361,664</u>	<u>220,928</u>	<u>15,307</u>	<u>6,064</u>	<u>603,963</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	<u>200,583</u>	<u>(220,928)</u>	<u>(15,307)</u>	<u>6,519</u>	<u>(29,133)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		220,928			220,928
Transfers-Out	(220,928)				(220,928)
	<u>(220,928)</u>	<u>220,928</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(20,345)	0	(15,307)	6,519	(29,133)
Fund Cash Balances, January 1	262,330	0	15,872	133,633	411,835
Fund Cash Balances, December 31	<u>\$241,985</u>	<u>\$0</u>	<u>\$565</u>	<u>\$140,152</u>	<u>\$382,702</u>
Reserves for Encumbrances, December 31	<u>\$8,438</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,588</u>	<u>\$10,026</u>

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

**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, 1998**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:					
Property and Other Taxes	\$497,490	\$0	\$0	\$0	\$497,490
Other Government Grants-In-Aid	15,426				15,426
Patron Fines and Fees	12,787				12,787
Earnings on Investments	13,171			2,364	15,535
Contributions, Gifts and Donations	6,718			6,664	13,382
Miscellaneous Receipts	1,250				1,250
Total Cash Receipts	<u>546,842</u>	<u>0</u>	<u>0</u>	<u>9,028</u>	<u>555,870</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	182,926				182,926
Supplies	12,453				12,453
Purchased and Contracted Services	53,207				53,207
Library Materials and Information	46,443			9,597	56,040
Other Objects	22,071				22,071
Debt Service:					
Redemption of Principal		42,986			42,986
Interest Payments and Other Financing Fees and Costs		77,942			77,942
Capital Outlay	17,153			25	17,178
Total Cash Disbursements	<u>334,253</u>	<u>120,928</u>	<u>0</u>	<u>9,622</u>	<u>464,803</u>
Total Receipts Over/(Under) Disbursements	<u>212,589</u>	<u>(120,928)</u>	<u>0</u>	<u>(594)</u>	<u>91,067</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		120,928		4,732	125,660
Transfers-Out	(125,660)				(125,660)
Total Other Financing Receipts/(Disbursements)	<u>(125,660)</u>	<u>120,928</u>	<u>0</u>	<u>4,732</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	86,929	0	0	4,138	91,067
Fund Cash Balances, January 1	175,401	0	15,872	129,495	320,768
Fund Cash Balances, December 31	<u><u>\$262,330</u></u>	<u><u>\$0</u></u>	<u><u>\$15,872</u></u>	<u><u>\$133,633</u></u>	<u><u>\$411,835</u></u>
Reserves for Encumbrances, December 31	<u>\$6,439</u>	<u>\$0</u>	<u>\$15,376</u>	<u>\$2,170</u>	<u>\$23,985</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Clyde Public Library, Sandusky 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 the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Clyde-Green Springs 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

Certificates of deposit 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. Debt Service Funds

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness:

The Debt Retirement Fund records the revenue and expenditures for the loan that was taken out in 1995 to expand the Library.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

This fund is 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 fund:

The Building Fund is used to record revenue and expenditures for the expansion of 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 nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

The Hurd Trust is an expendable trust which can only be used for books about the history of Clyde and Sandusky County.

The Suggitt Trust is a nonexpendable trust which can only be used for nonfiction books such as biographies.

E. Budgetary Process

The Ohio Administrative Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and Sick Leave

All employees are entitled to cash payments for unused vacation and the professional staff is entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$280,429	\$309,562
Certificates of deposit	<u>102,273</u>	<u>102,273</u>
Total deposits and investments	<u><u>\$382,702</u></u>	<u><u>\$411,835</u></u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$556,037	\$562,247	\$6,210
Debt Service	120,928	220,928	100,000
Fiduciary	<u>13,300</u>	<u>12,583</u>	<u>(717)</u>
Total	<u><u>\$690,265</u></u>	<u><u>\$795,758</u></u>	<u><u>\$105,493</u></u>

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$706,439	\$591,030	\$115,409
Debt Service	220,928	220,928	0
Capital Projects	15,872	15,307	565
Fiduciary	46,170	7,652	38,518
Total	<u>\$989,409</u>	<u>\$834,917</u>	<u>\$154,492</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$518,008	\$546,842	\$28,834
Debt Service	120,928	120,928	0
Fiduciary	13,550	13,760	210
Total	<u>\$652,486</u>	<u>\$681,530</u>	<u>\$29,044</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$629,918	\$466,352	\$163,566
Debt Service	122,000	120,928	1,072
Capital Projects	15,872	15,376	496
Fiduciary	148,350	11,792	136,558
Total	<u>\$916,140</u>	<u>\$614,448</u>	<u>\$301,692</u>

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 reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. GRANTS-IN-AID AND TAX RECEIPTS (Continued)

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. DEBT

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$1,036,704	6.4%

The General Obligation Notes relate to the loan take out in 1995 to expand the Library. The note will be repaid in semi-annual installments over thirteen years.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
2000	\$120,928
2001	120,928
2002	120,928
2003	120,928
2004	120,928
Subsequent	922,165
Total	\$1,526,805

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. 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 also 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. The Library has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions



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

Clyde Public Library
Sandusky County
222 West Buckeye Street
Clyde, Ohio 43410-1936

To the Board of Trustees:

We have audited the accompanying financial statements of the Clyde Public Library, Sandusky County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 3, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 3, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 for the information and use of the audit committee, 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 3, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLYDE PUBLIC LIBRARY

SANDUSKY 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
MAY 25, 2000**