



**UPPER SANDUSKY COMMUNITY LIBRARY  
WYANDOT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**UPPER SANDUSKY COMMUNITY LIBRARY  
WYANDOT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types 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> .....	9

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of Upper Sandusky Community Library, Wyandot County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 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 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 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 December 31, 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 26, 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 Review 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".

**JIM PETRO**  
Auditor of State

May 26, 2000



**UPPER SANDUSKY LIBRARY  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Tax	\$359,456	\$0	\$359,456
Patron Fines and Fees	12,784	0	12,784
Earnings on Investments	26,023	0	26,023
Contribution, Gifts and Donations	63,090	0	63,090
Miscellaneous Receipts	1,062	0	1,062
	<u>462,415</u>	<u>0</u>	<u>462,415</u>
<b>Total Cash Receipts</b>			
	462,415	0	462,415
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	215,060	0	215,060
Supplies	16,833	0	16,833
Purchased and Contract Services	53,999	0	53,999
Library Materials	43,821	0	43,821
Other Objects	16,417	0	16,417
Capital Outlay	19,175	44,480	63,655
	<u>365,305</u>	<u>44,480</u>	<u>409,785</u>
<b>Total Cash Disbursements</b>			
	365,305	44,480	409,785
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>97,110</u>	<u>(44,480)</u>	<u>52,630</u>
	97,110	(44,480)	52,630
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	69,000	69,000
Transfers-Out	(69,000)	0	(69,000)
	<u>(69,000)</u>	<u>69,000</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	(69,000)	69,000	0
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>28,110</u>	<u>24,520</u>	<u>52,630</u>
	28,110	24,520	52,630
<b>Fund Cash Balances, January 1, 1999</b>	<u>225,508</u>	<u>332,128</u>	<u>557,636</u>
	225,508	332,128	557,636
<b>Fund Cash Balances, December 31, 1999</b>	<u><u>\$253,618</u></u>	<u><u>\$356,648</u></u>	<u><u>\$610,266</u></u>
	\$253,618	\$356,648	\$610,266
<b>Reserves for Encumbrances, December 31, 1999</b>	<u><u>\$384</u></u>	<u><u>\$229,086</u></u>	<u><u>\$229,470</u></u>
	\$384	\$229,086	\$229,470

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

**UPPER SANDUSKY LIBRARY  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
State Income Tax	\$329,903	\$0	\$329,903
Patron Fines and Fees	14,609	0	14,609
Earnings on Investments	19,581	0	19,581
Contributions, Gifts and Donations	137,853	0	137,853
Miscellaneous Receipts	2,819	0	2,819
<b>Total Cash Receipts</b>	<u>504,765</u>	<u>0</u>	<u>504,765</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	194,643	0	194,643
Supplies	11,070	0	11,070
Purchased and Contract Services	46,826	0	46,826
Library Materials	47,235	0	47,235
Other Objects	9,596	0	9,596
Capital Outlay	13,352	0	13,352
<b>Total Cash Disbursements</b>	<u>322,722</u>	<u>0</u>	<u>322,722</u>
<b>Total Cash Receipts Over Cash Disbursements</b>	<u>182,043</u>	<u>0</u>	<u>182,043</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	100,500	100,500
Transfers-Out	(100,500)	0	(100,500)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(100,500)</u>	<u>100,500</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<u>81,543</u>	<u>100,500</u>	<u>182,043</u>
<b>Fund Cash Balances, January 1, 1998</b>	<u>143,965</u>	<u>231,628</u>	<u>375,593</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><u>\$225,508</u></u>	<u><u>\$332,128</u></u>	<u><u>\$557,636</u></u>

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



**UPPER SANDUSKY LIBRARY  
WYANDOT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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 the State 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**

The Library has interest bearing checking accounts and certificates of deposit, which 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. 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 LIBRARY  
WYANDOT COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, function, and object 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.

**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**

Employees are entitled to cash payments for unused vacation and 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 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:

	<u>1999</u>	<u>1998</u>
Deposits	\$329,352	\$115,027
Cash on hand	100	100
Certificates of deposit	<u>280,814</u>	<u>442,509</u>
Total deposits and cash on hand	<u><u>\$610,266</u></u>	<u><u>\$557,636</u></u>

**UPPER SANDUSKY LIBRARY  
WYANDOT COUNTY**

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

**2. EQUITY IN POOLED CASH (Continued)**

**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, 1999 and December 31, 1998 follows:

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$459,900	\$462,415	\$2,515
Capital Projects	0	69,000	69,000
Total	<u>\$459,900</u>	<u>\$531,415</u>	<u>\$71,515</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$685,408	\$434,689	\$250,719
Capital Projects	332,128	273,566	58,562
Total	<u>\$1,017,536</u>	<u>\$708,255</u>	<u>\$309,281</u>

**1998 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$503,903	\$504,765	\$862
Capital Projects	0	100,500	100,500
Total	<u>\$503,903</u>	<u>\$605,265</u>	<u>\$101,362</u>

**1998 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$647,868	\$423,222	\$224,646
Capital Projects	231,628	0	231,628
Total	<u>\$879,496</u>	<u>\$423,222</u>	<u>\$456,274</u>

**UPPER SANDUSKY LIBRARY  
WYANDOT COUNTY**

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

**4. 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.

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

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance through United-Stecher Insurance Service in Upper Sandusky, Ohio for comprehensive property and general liability.



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

Upper Sandusky Community Library  
Wyandot County  
301 North Sandusky Street  
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, 1999 and December 31, 1998, and have issued our report thereon dated May 26, 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*.

**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 for the information and use of the Review 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 26, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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  
JUNE 22, 2000**