



**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY

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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 the Upper Sandusky Community Library, Wyandot County, Ohio (the Library) as of and for the years ended December 31, 2001, and December 31, 2000. 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 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 reserve for encumbrances of the Library as of December 31, 2001, and December 31, 2000, 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 January 28, 2002 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 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.

JIM PETRO
Auditor of State

January 28, 2002

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**UPPER SANDUSKY COMMUNITY 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, 2001**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
State Income Tax	\$386,144	\$0	\$386,144
Patron Fines and Fees	13,307	0	13,307
Earnings on Investments	29,746	0	29,746
Contributions, Gifts and Donations	74,676	0	74,676
Miscellaneous Receipts	1,146	0	1,146
 Total Cash Receipts	 505,019	 0	 505,019
Cash Disbursements:			
Current:			
Salaries and Benefits	237,787	0	237,787
Supplies	15,267	0	15,267
Purchased and Contracted Services	48,815	0	48,815
Library Materials	60,229	0	60,229
Other Objects	5,260	0	5,260
Capital Outlay	14,314	0	14,314
 Total Cash Disbursements	 381,672	 0	 381,672
 Total Cash Receipts Over Cash Disbursements	 123,347	 0	 123,347
Other Financing Receipts/(Disbursements):			
Transfers-In	0	65,000	65,000
Transfers-Out	(65,000)	0	(65,000)
 Total Other Financing Receipts/(Disbursements)	 (65,000)	 65,000	 0
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	 58,347	 65,000	 123,347
 Fund Cash Balances, January 1, 2001	 221,842	 336,133	 557,975
 Fund Cash Balances, December 31, 2001	 \$280,189	 \$401,133	 \$681,322
 Reserve for Encumbrances, December 31, 2001	 \$457	 \$0	 \$457

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

**UPPER SANDUSKY COMMUNITY 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, 2000**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
State Income Tax	\$390,122	\$0	\$390,122
Patron Fines and Fees	12,508	0	12,508
Earnings on Investments	25,074	0	25,074
Contributions, Gifts and Donations	196,336	0	196,336
Miscellaneous Receipts	1,024	0	1,024
 Total Cash Receipts	 625,064	 0	 625,064
Cash Disbursements:			
Current:			
Salaries and Benefits	218,215	0	218,215
Supplies	13,629	0	13,629
Purchased and Contracted Services	82,861	0	82,861
Library Materials	62,738	0	62,738
Other Objects	6,012	0	6,012
Capital Outlay	27,385	266,515	293,900
 Total Cash Disbursements	 410,840	 266,515	 677,355
 Total Cash Receipts Over/(Under) Cash Disbursements	 214,224	 (266,515)	 (52,291)
Other Financing Receipts/(Disbursements):			
Transfers-In	0	246,000	246,000
Transfers-Out	(246,000)	0	(246,000)
 Total Other Financing Receipts/(Disbursements)	 (246,000)	 246,000	 0
 Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	 (31,776)	 (20,515)	 (52,291)
 Fund Cash Balances, January 1, 2000	 253,618	 356,648	 610,266
 Fund Cash Balances, December 31, 2000	 \$221,842	 \$336,133	 \$557,975
 Reserve for Encumbrances, December 31, 2000	 \$282	 \$0	 \$282

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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Upper Sandusky Community Library, Wyandot 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 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

Investments are included in fund cash balances. 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.

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 COMMUNITY LIBRARY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

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 level of control.

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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations. However, during 2001, the Library still estimated resources and encumbered appropriations.

A summary of 2001 and 2000 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.

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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:

	2001	2000
Deposits	\$118,698	\$118,287
Cash on hand	100	100
Certificates of deposit	562,524	439,588
Total deposits and cash on hand	\$681,322	\$557,975

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 ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$505,400	\$505,019	(\$381)
Capital Projects	0	65,000	65,000
Total	\$505,400	\$570,019	\$64,619

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$727,242	\$447,129	\$280,113
Capital Projects	336,133	0	336,133
Total	\$1,063,375	\$447,129	\$616,246

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$625,000	\$625,064	\$64
Capital Projects	0	246,000	246,000
Total	\$625,000	\$871,064	\$246,064

**UPPER SANDUSKY COMMUNITY LIBRARY
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$878,618	\$657,122	\$221,496
Capital Projects	356,648	266,515	90,133
Total	\$1,235,266	\$923,637	\$311,629

4. STATE INCOME 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 based on of 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. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

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, 2001 and December 31, 2000, and have issued our report thereon dated January 28, 2002. 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 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.

JIM PETRO
Auditor of State

January 28, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
FEBRUARY 28, 2002**