



**Auditor of State
Betty Montgomery**

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, (the Library) as of and for the years ended December 31, 2003 and 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 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 Clyde Public Library, Sandusky County, as of December 31, 2003 and 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 February 25, 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 the audit committee, management, 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

February 25, 2004

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

**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, 2003**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 181,855			\$ 181,855
Other Government Grants-In-Aid	348,255			348,255
Intergovernmental Revenue	16,082			16,082
Patron Fines and Fees	14,574			14,574
Earnings on Investments	2,617		\$ 305	2,922
Contributions, Gifts and Donations	3,804		4,195	7,999
Miscellaneous Receipts	491			491
Total Cash Receipts	<u>567,678</u>		<u>4,500</u>	<u>572,178</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	277,063			277,063
Purchased and Contracted Services	64,476			64,476
Other Objects	98,058		1,955	100,013
Debt Service:				
Redemption of Principal		\$ 63,764		63,764
Interest Payments and Other Financing Fees and Costs		36,704		36,704
Capital Outlay	11,613			11,613
Total Cash Disbursements	<u>451,210</u>	<u>100,468</u>	<u>1,955</u>	<u>553,633</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>116,468</u>	<u>(100,468)</u>	<u>2,545</u>	<u>18,545</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		100,468		100,468
Transfers-Out	(100,468)			(100,468)
Total Other Financing Receipts/(Disbursements)	<u>(100,468)</u>	<u>100,468</u>		
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	16,000		2,545	18,545
Fund Cash Balances, January 1	291,277		29,255	320,532
Fund Cash Balances, December 31	<u>\$ 307,277</u>		<u>\$ 31,800</u>	<u>\$ 339,077</u>
Reserves for Encumbrances, December 31	<u>\$ 10,109</u>		<u>\$ 40</u>	<u>\$ 10,149</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Disbursements:	
Current:	
Other Objects	\$ 3,267
Total Operating Cash Disbursements	3,267
Operating Loss	(3,267)
Non-Operating Cash Receipts:	
Earnings on Investments	3,132
Total Non-Operating Cash Receipts	3,132
Net Receipts Under Disbursements	(135)
Fund Cash Balance, January 1	120,508
Fund Cash Balance, December 31	\$ 120,373
Reserves for Encumbrances, December 31	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

**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, 2002**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 181,491			\$ 181,491
Other Government Grants-In-Aid	351,988			351,988
Intergovernmental Revenue	16,048			16,048
Patron Fines and Fees	15,478			15,478
Earnings on Investments	4,220		\$ 237	4,457
Contributions, Gifts and Donations	3,074		5,129	8,203
Miscellaneous Receipts	2,717			2,717
Total Cash Receipts	<u>575,016</u>		<u>5,366</u>	<u>580,382</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	264,598			264,598
Purchased and Contracted Services	64,662			64,662
Other Objects	107,379		1,574	108,953
Debt Service:				
Redemption of Principal		\$ 62,512		62,512
Interest Payments and Other				
Financing Fees and Costs		37,956		37,956
Capital Outlay	4,986			4,986
Total Cash Disbursements	<u>441,625</u>	<u>100,468</u>	<u>1,574</u>	<u>543,667</u>
Total Cash Receipts Over/ (Under) Cash Disbursements	<u>133,391</u>	<u>(100,468)</u>	<u>3,792</u>	<u>36,715</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		100,468		100,468
Transfers-Out	(100,468)			(100,468)
Total Other Financing Receipts/(Disbursements)	<u>(100,468)</u>	<u>100,468</u>		
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	32,923		3,792	36,715
Fund Cash Balances, January 1	258,354		25,463	283,817
Fund Cash Balances, December 31	<u>\$ 291,277</u>		<u>\$ 29,255</u>	<u>\$ 320,532</u>
Reserves for Encumbrances, December 31	<u>\$ 4,901</u>		<u>\$ 40</u>	<u>\$ 4,941</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002

	Fiduciary Fund Type
	Nonexpendable Trust
Operating Cash Disbursements:	
Current:	
Other Objects	\$ 11,359
Total Operating Cash Disbursements	11,359
Operating Loss	(11,359)
Non-Operating Cash Receipts:	
Earnings on Investments	3,939
Total Non-Operating Cash Receipts	3,939
Net Receipts Under Disbursements	(7,420)
Fund Cash Balance, January 1	127,928
Fund Cash Balance, December 31	120,508
Reserves for Encumbrances, December 31	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

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 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 that is 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.

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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

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.

3. 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 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.

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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

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

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:

	2003	2002
Demand deposits	\$ 187,177	\$ 168,767
Certificates of deposit	272,273	272,273
Total deposits	\$ 459,450	\$ 441,040

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

3. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 639,901	\$ 561,787	\$ 78,114
Debt Service	100,468	100,468	
Fiduciary	47,210	5,262	41,948
Total	\$ 787,579	\$ 667,517	\$ 120,062

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 632,376	\$ 546,994	\$ 85,382
Debt Service	100,468	100,468	
Fiduciary	62,187	12,973	49,214
Total	\$ 795,031	\$ 660,435	\$ 134,596

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 based on any additional revenues the Library receives.

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.

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 648,725	5.20%

The General Obligation Note relates to the loan taken out in 1995 to expand the Library. In November 2001, the Board refinanced the note for a lower interest. The note will be repaid in semi-annual installments over the next eight years.

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

Year ending December 31:	General Obligation Notes
2004	\$100,468
2005	100,468
2006	100,468
2007	100,468
2008	100,468
2009 – 2011	301,404
Total	\$803,744

6. RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's OPERS 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.

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

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

7. RISK MANAGEMENT

Commercial Insurance

The Clyde Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 25, 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.

This report is intended solely for the information and use of the audit committee, management, and 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

February 25, 2004

**CLYDE PUBLIC LIBRARY
SANDUSKY COUNTY**

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-00172-001	Ohio Administrative Code §117-8-02 The debt retirement fund expenditures exceeded appropriations	Yes	

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
MARCH 30, 2004**