



**Auditor of State  
Betty Montgomery**



**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Monroeville Public Library  
Huron County  
34 Monroe Street  
Monroeville, Ohio 44847-9722

To the Board of Trustees:

We have audited the accompanying financial statements of the Monroeville Public Library, Huron 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 audits.

We conducted our audits 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 audits 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 of the Library 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 April 28, 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 audits.

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

April 28, 2004

**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 121,044	\$ -	\$ 121,044
Patron Fines and Fees	3,113	-	3,113
Earnings on Investments	6,748	1,127	7,875
Contributions, Gifts and Donations	1,749	-	1,749
Miscellaneous Receipts	47	-	47
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	132,701	1,127	133,828
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements</b>			
Current:			
Salaries and Benefits	88,377	-	88,377
Supplies	3,335	-	3,335
Purchased and Contracted Services	24,277	-	24,277
Library Materials and Information	16,440	-	16,440
Other Objects	306	-	306
Capital Outlay	1,221	1,709	2,930
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	133,956	1,709	135,665
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements Over Cash Receipts	(1,255)	(582)	(1,837)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	198,137	48,183	246,320
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 196,882</u></b>	<b><u>\$ 47,601</u></b>	<b><u>\$ 244,483</u></b>

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

**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 122,320	\$ -	\$ 122,320
Patron Fines and Fees	1,862	-	1,862
Earnings on Investments	325	152	477
Contributions, Gifts and Donations	2,921	-	2,921
Miscellaneous Receipts	5	-	5
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	127,433	152	127,585
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements</b>			
Current:			
Salaries and Benefits	85,172	-	85,172
Supplies	4,863	-	4,863
Purchased and Contracted Services	27,070	-	27,070
Library Materials and Information	24,883	-	24,883
Other Objects	333	3,728	4,061
Capital Outlay	149	3,184	3,333
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	142,470	6,912	149,382
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements Over Cash Receipts	(15,037)	(6,760)	(21,797)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	213,174	54,943	268,117
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$ 198,137</b>	<b>\$ 48,183</b>	<b>\$ 246,320</b>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Monroeville Public Library, Huron 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 Monroeville Local School District Board of Education. The Library provides the community with various educational and literary resources.

The Library is a related organization of the Monroeville Local School District. The Monroeville Local School District is a separate entity from the Library and the financial statements of the School District are not included herein.

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 reported as assets. 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.

Certificates of deposit are valued at cost.

**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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

**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 Project Funds**

These funds are 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:

Building and Repair Fund – This fund accounts for the funds that are not needed in the General Fund and are put aside for future building and repairs of the Library's building.

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures 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.

**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.

**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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:

	2003	2002
Demand deposits	\$ 24,792	\$ 29,331
Certificates of deposit	219,691	216,989
Total deposits	\$ 244,483	\$ 246,320

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) 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	\$ 137,171	\$ 133,956	\$ 3,215
Capital Projects	48,031	1,709	46,322
Total	\$ 185,202	\$ 135,665	\$ 49,537

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 143,572	\$ 142,470	\$ 1,102
Capital Projects	54,944	6,912	48,032
Total	\$ 198,516	\$ 149,382	\$ 49,134

**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

**MONROEVILLE PUBLIC LIBRARY  
HURON COUNTY**

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

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 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 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

**Commercial Insurance**

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

- Commercial property.
- General liability.
- Auto liability.
- Errors and omissions.



**Auditor of State  
Betty Montgomery**

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

Monroeville Public Library  
Huron County  
34 Monroe Street  
Monroeville, Ohio 44847-9722

To the Board of Trustees:

We have audited the accompanying financial statements of the Monroeville Public Library, Huron County, (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 28, 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 audits 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 audits, 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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 28, 2004.

This report is intended solely 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.



**Betty Montgomery**  
Auditor of State

April 28, 2004



**Auditor of State  
Betty Montgomery**

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**MONROEVILLE PUBLIC LIBRARY**

**HURON 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, 2004**