



**MONROEVILLE PUBLIC LIBRARY
HURON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MONROEVILLE PUBLIC LIBRARY
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REPORT OF INDEPENDENT ACCOUNTANTS

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, 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 audits.

We conducted our audits 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 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 fund cash balances of the Library as of December 31, 1999 and 1998, and its 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 12, 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".

Jim Petro
Auditor of State

May 12, 2000

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MONROEVILLE PUBLIC LIBRARY
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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Project</u>	
Cash Receipts:			
Intergovernmental	\$120,344		\$120,344
Patron Fines and Fees	2,762		2,762
Earnings on Investments	7,426	\$1,865	9,291
Contributions, Gifts and Donations	2,266		2,266
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	132,798	1,865	134,663
Cash Disbursements:			
Current:			
Salaries and Benefits	59,147		59,147
Supplies	2,713		2,713
Purchased and Contracted Services	12,214		12,214
Library Materials and Information	33,534		33,534
Other Objects	273		273
Capital Outlay	2,048		2,048
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	109,929		109,929
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	22,869	1,865	24,734
Other Financing Receipts/(Disbursements):			
Transfers-In	260		260
Transfers-Out		(260)	(260)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	260	(260)	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	23,129	1,605	24,734
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	158,476	48,239	206,715
Fund Cash Balances, December 31	<hr/> \$181,605 <hr/>	<hr/> \$49,844 <hr/>	<hr/> \$231,449 <hr/>

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

MONROEVILLE PUBLIC LIBRARY
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>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Project</u>	
Cash Receipts:			
Intergovernmental	\$109,323		\$109,323
Patron Fines and Fees	2,493		2,493
Earnings on Investments	8,866	\$260	9,126
Contributions, Gifts and Donations	3,489		3,489
Miscellaneous Receipts	516		516
	<hr/>		<hr/>
Total Cash Receipts	124,687	260	124,947
	<hr/>		<hr/>
Cash Disbursements:			
Current:			
Salaries and Benefits	50,248		50,248
Supplies	3,549		3,549
Purchased and Contracted Services	13,900		13,900
Library Materials and Information	30,597		30,597
Other Objects	233		233
Capital Outlay	399		399
	<hr/>		<hr/>
Total Cash Disbursements	98,926		98,926
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	25,761	260	26,021
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Transfers-In	279		279
Transfers-Out		(279)	(279)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	279	(279)	
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	26,040	(19)	26,021
	<hr/>		<hr/>
Fund Cash Balances, January 1	132,436	48,258	180,694
	<hr/>		<hr/>
Fund Cash Balances, December 31	<u>\$158,476</u>	<u>\$48,239</u>	<u>\$206,715</u>

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

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

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 the State 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. However, gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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.

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

2. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. 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/repairs of the Library's building.

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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.

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:

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$71,480	\$55,002
Certificates of deposit	<u>159,969</u>	<u>151,713</u>
Total deposits	<u><u>\$231,449</u></u>	<u><u>\$206,715</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	\$107,448	\$133,058	\$25,610
Capital Projects	<u>47,900</u>	<u>1,865</u>	<u>1,865</u>
Total	<u><u>\$107,448</u></u>	<u><u>\$134,923</u></u>	<u><u>\$27,475</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$114,130	\$109,929	\$4,201
Capital Projects	<u>47,900</u>	<u>260</u>	<u>47,640</u>
Total	<u><u>\$162,030</u></u>	<u><u>\$110,189</u></u>	<u><u>\$51,841</u></u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$93,956	\$124,966	\$31,010
Capital Projects	<u>260</u>	<u>260</u>	<u>260</u>
Total	<u><u>\$93,956</u></u>	<u><u>\$125,226</u></u>	<u><u>\$31,270</u></u>

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

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,000	\$98,926	\$5,074
Capital Projects	47,979	279	47,700
Total	\$151,979	\$99,205	\$52,774

4. GRANTS-IN-AID

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 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.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Business auto liability
- Comprehensive property and general liability



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**REPORT OF INDEPENDENT ACCOUNTANTS 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, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 12, 2000. We conducted our audits 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 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 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 May 12, 2000.

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 loop at the end.

Jim Petro
Auditor of State

May 12, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 1, 2000**