

***TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Taylor Memorial Public Library

We have reviewed the Independent Auditor's Report of the Taylor Memorial Public Library, Summit County, prepared by Charles E. Harris & Associates, Inc. for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Taylor Memorial Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

September 22, 2004

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**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2003 & 2002**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

The Board of Trustees  
Taylor Memorial Public Library  
Cuyahoga Falls, Ohio

We have audited the accompanying financial statements of Taylor Memorial Public Library, Summit County, (the Library), as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. 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 a 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 cash, investments and fund cash balances of the Library, as of December 31, 2003 and 2002, the combined receipts, disbursements, and changes in fund cash balances, and its combined statement of disbursements and encumbrances compared with expenditure authority for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 9, 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 management, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.***  
August 9, 2004

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND  
CASH BALANCES - ALL FUND TYPES  
As of December 31, 2003 & 2002**

	<u>2003 Balance</u>	<u>2002 Balance</u>
Cash and Cash Equivalents	\$ 3,282,412	\$ 3,209,290
	<u>\$ 3,282,412</u>	<u>\$ 3,209,290</u>

**CASH BALANCES BY FUND CLASS**

**Governmental Fund Types:**

General Fund	\$ 602,452	\$ 577,405
Capital Projects Funds	2,450,510	2,433,314

**Fiduciary Fund Types:**

Expendable Trust	171,835	141,583
Nonexpendable Trust	<u>57,615</u>	<u>56,988</u>

Total	<u>\$ 3,282,412</u>	<u>\$ 3,209,290</u>
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See accompanying Notes to the Financial Statements.

**TAYLOR MEMORIAL PUBLIC LIBRARY**  
**SUMMIT COUNTY, OHIO**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**All Governmental and Fiduciary Fund Types**  
**For the Year Ended December 31, 2003**

	Governmental Fund Types		Fiduciary Fund Type	Total Memorandum Only
	General	Capital Projects	Expendable Trust	
<b>Receipts:</b>				
Other Government Grants-In-Aid	\$ 1,696,619	\$ -	\$ -	\$ 1,696,619
Patron Fines and Fees	63,956	-	-	63,956
Earnings on Investments	264	27,093	1,579	28,936
Contributions, Gifts and Donations	6,829	-	41,503	48,332
<b>Total Receipts</b>	<b>1,767,668</b>	<b>27,093</b>	<b>43,082</b>	<b>1,837,843</b>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries	896,700	-	-	896,700
Employee Benefits	219,841	-	-	219,841
Purchased and Contractual Services	267,025	3,997	-	271,022
Library Materials and Information	310,737	-	12,830	323,567
Supplies	33,833	-	-	33,833
Miscellaneous	12,997	-	-	12,997
Capital Outlay	1,488	5,900	-	7,388
<b>Total Disbursements</b>	<b>1,742,621</b>	<b>9,897</b>	<b>12,830</b>	<b>1,765,348</b>
<b>Total Receipts Over/(Under)</b>				
Disbursements	25,047	17,196	30,252	25,047
<b>Fund Cash Balance, January 1</b>	<b>577,405</b>	<b>2,433,314</b>	<b>141,583</b>	<b>3,152,302</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 602,452</b>	<b>\$ 2,450,510</b>	<b>\$ 171,835</b>	<b>\$ 3,224,797</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ 307,571</b>	<b>\$ 3,503</b>	<b>\$ 3,815</b>	<b>\$ 314,889</b>

See accompanying Notes to the Financial Statements.



**TAYLOR MEMORIAL PUBLIC LIBRARY**  
**SUMMIT COUNTY, OHIO**  
**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**All Governmental and Fiduciary Fund Types**  
**For the Year Ended December 31, 2002**

	Governmental Fund Types		Fiduciary Fund Type	Total Memorandum Only
	General	Capital Projects	Expendable Trust	
<b>Receipts:</b>				
Other Government Grants-In-Aid	\$ 1,795,148	\$ -	\$ -	\$ 1,795,148
Patron Fines and Fees	43,319	-	-	43,319
Earnings on Investments	11,862	53,280	3,701	68,843
Contributions, Gifts and Donations	-	-	13,938	13,938
Miscellaneous Revenue	6,857	-	-	6,857
<b>Total Receipts</b>	<b>1,857,186</b>	<b>53,280</b>	<b>17,639</b>	<b>1,928,105</b>
<b>Disbursements:</b>				
<b>Current:</b>				
Salaries	826,222	-	-	826,222
Employee Benefits	181,801	-	-	181,801
Purchased and Contractual Services	372,059	27,641	-	399,700
Library Materials and Information	404,968	-	-	404,968
Supplies	50,125	-	-	50,125
Miscellaneous	16,812	-	-	16,812
Capital Outlay	32,761	22,790	-	55,551
<b>Total Disbursements</b>	<b>1,884,748</b>	<b>50,431</b>	<b>-</b>	<b>1,935,179</b>
<b>Total Receipts Over/(Under)</b>				
Disbursements	(27,562)	2,849	17,639	(27,562)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	1,820	1,820
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,820</b>	<b>1,820</b>
<b>Excess/Deficiency of Receipts and Other Sources Over Disbursements and Other Uses</b>	<b>(27,562)</b>	<b>2,849</b>	<b>19,459</b>	<b>(25,742)</b>
<b>Fund Cash Balance, January 1</b>	<b>604,967</b>	<b>2,430,465</b>	<b>122,124</b>	<b>3,157,556</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 577,405</b>	<b>\$ 2,433,314</b>	<b>\$ 141,583</b>	<b>\$ 3,152,302</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ 288,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,392</b>

See accompanying Notes to the Financial Statements.

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
Nonexpendable Trust Funds  
For the Year Ended December 31, 2003 and 2002**

	2003	2002
<b>Receipts:</b>		
Earnings on Investments	\$ <u>627</u>	\$ <u>926</u>
<b>Total Receipts</b>	<b>627</b>	<b>926</b>
<b>Other Financing Sources (Uses):</b>		
Transfers Out	<u>-</u>	<u>(1,820)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(1,820)</u>
<b>Excess/Deficiency of Receipts and Other Sources Over Disbursements and Other Uses</b>	<b>627</b>	<b>(894)</b>
<b>Fund Cash Balance, January 1</b>	<u>56,988</u>	<u>57,882</u>
<b>Fund Cash Balance, December 31</b>	<u>\$ <u>57,615</u></u>	<u>\$ <u>56,988</u></u>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Notes to the Financial Statements.

TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2003

<u>Fund Types/Funds</u>	<u>Carryover Appropriations</u>	<u>Year Ending 2003 Appropriations</u>	<u>Total</u>	<u>Actual 2003 Disbursements</u>	<u>Encumbrances as of 12/31/03</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>Governmental Funds:</b>							
General Fund	\$ 288,392	\$ 2,382,696	\$ 2,671,088	\$ 1,742,621	\$ 307,571	\$ 2,050,192	\$ 620,896
Capital Project Funds	-	730,000	730,000	9,897	3,503	13,400	716,600
<b>Fiduciary Funds:</b>							
Expendable Trust Funds	-	20,000	20,000	12,830	3,815	16,645	3,355
Nonexpendable Trust Funds	-	7,000	7,000	-	-	-	7,000
<b>Total (Memorandum Only)</b>	<b>\$ 288,392</b>	<b>\$ 3,139,696</b>	<b>\$ 3,428,088</b>	<b>\$ 1,765,348</b>	<b>\$ 314,889</b>	<b>\$ 2,080,237</b>	<b>\$ 1,347,851</b>

See accompanying Notes to the Financial Statements.

TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
For the Year Ended December 31, 2002

<u>Fund Types/Funds</u>	<u>Carryover Appropriations</u>	<u>Year Ending 2002 Appropriations</u>	<u>Total</u>	<u>Actual 2002 Disbursements</u>	<u>Encumbrances as of 12/31/02</u>	<u>Total</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>Governmental Funds:</b>							
General Fund	\$ 211,655	\$ 2,404,321	\$ 2,615,976	\$ 1,884,748	\$ 288,392	\$ 2,173,140	\$ 442,836
Capital Project Funds	49,817	1,091,036	1,140,853	50,431	-	50,431	1,090,422
<b>Fiduciary Funds:</b>							
Expendable Trust Funds	-	39,200	39,200	-	-	-	39,200
Nonexpendable Trust Funds	-	7,882	7,882	1,820	-	1,820	6,062
<b>Total (Memorandum Only)</b>	<b>\$ 261,472</b>	<b>\$ 3,542,439</b>	<b>\$ 3,803,911</b>	<b>\$ 1,936,999</b>	<b>\$ 288,392</b>	<b>\$ 2,225,391</b>	<b>\$ 1,578,520</b>

See accompanying Notes to the Financial Statements.

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2003 and 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

Taylor Memorial Public Library, Summit 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 an eleven-member Board of Trustees of which five members are lifetime Trustees appointed by the Library Association, four members are appointed by the Mayor of Cuyahoga Falls, and two members are appointed by the Cuyahoga Falls City School District. 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. REPORTING ENTITY**

In evaluating how to define the Library for financial reporting purposes, management has considered all agencies, departments and organizations making up Taylor Memorial Public Library (the primary government) and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

Component units are legally separate organizations for which the Library, as the primary government, is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and 1) the Library is able to significantly influence the programs or services performed or provided by the organization; or 2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Library has determined that there were no component units required to be included the financial statements.

**C. 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 disbursement 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.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**D. CASH AND INVESTMENTS**

Investments are included in the 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.

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2003 and 2002**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

D. **CASH AND INVESTMENTS** – (continued)

Repurchase agreements and STAR Ohio are recorded at share values reported by the financial institutions and the Treasurer of State, respectively.

E. **FUND ACCOUNTING**

The Library maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**Governmental Fund Types:**

**General Fund:** The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

**Capital Projects Funds:** To account for the proceeds of specific revenue sources that are restricted for the acquisition or construction of major capital projects. The Library's major capital project fund is the building fund which is used to account for the maintenance of and improvements to the Library's facilities.

**Fiduciary Funds (Trust Funds):**

These funds are used to account for resources restricted by legally binding trust agreements.

F. **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.

G. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

H. **UNPAID VACATION AND SICK LEAVE**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities on the accompanying financial statements.

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2003 and 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

I. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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:

Deposits: At year end, the carrying amount of the Library's deposits were \$621,225 in 2003 and \$(49,513) in 2002 and the bank balance was \$627,583 in 2003 and \$1,207 in 2002. Of the 2003 bank balance, \$100,000 was covered by the Federal Depository Insurance Corporation (FDIC) with the remainder collateralized by the financial institution's public entity deposit pool. Of the 2002 bank balance, all was covered by the FDIC.

Investments:

The Library's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Library. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Library's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or by its trust department but not in the Library's name. Star Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

The following list represents all investments of the Library, categorized by risk category using the definitions above as of December 31, 2002 and 2003.

2003	Carrying Amount Category 3	Fair Value
STAR Ohio	\$ -	\$ 2,661,187
Total	\$ -	\$ 2,661,187
2002	Carrying Amount Category 3	Fair Value
Repurchase Agreement	\$ 255,000	\$ 255,000
STAR Ohio	2,661,187	3,003,803
Total	\$ 2,916,187	\$ 3,258,803

**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2003 and 2002**

**2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS (continued)**

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB 3 is as follows:

2003	Cash and Cash Equivalents	Investments
GASB Statement 9	\$ 3,282,412	\$ -
STAR Ohio	(2,661,187)	2,661,187
Total	\$ 621,225	\$ 2,661,187
2002	Cash and Cash Equivalents	Investments
GASB Statement 9	\$ 3,209,290	\$ -
Repurchase Agreements	\$ (255,000)	\$ 255,000
STAR Ohio	(3,003,803)	3,003,803
Total	\$ (49,513)	\$ 3,258,803

**3. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Vehicles.
- Errors and omissions.

**4. PENSION AND RETIREMENT PLANS**

The employees of Taylor Memorial Public Library are covered by the Ohio Public Employees Retirement System (OPERS). The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

**Ohio Public Employees Retirement System (OPERS)**

The Ohio Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report.



**TAYLOR MEMORIAL PUBLIC LIBRARY  
SUMMIT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
For the Years Ended December 31, 2003 and 2002**

**4. PENSION AND RETIREMENT PLANS (continued)**

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% of their gross salaries. For local government employer units, the rate was 13.55% of covered payroll for 2003 and 2002. The contribution rates are determined actuarially. The Library has paid all contributions required through December 31, 2003.

**5. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Library may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Legal Counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Library.

**6. 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 buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based upon any additional revenues the Library receives.

**7. INTERFUND TRANSFER**

In 2002, the nonexpendable trust fund *Caroline Affleck Memorial Scholarship Fund* transferred \$1,820 into the expendable trust fund *Carl and Mary A. Graefe Trust Fund*. This transfer was correcting an erroneous posting of Earnings on Investments into the nonexpendable trust fund in the year ended 2001.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees  
Taylor Memorial Public Library  
Cuyahoga Falls, Ohio

We have audited the financial statements of Taylor Memorial Public Library, Summit County, Ohio, (the Library) as and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 9, 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated August 9, 2004.

**Internal Controls 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.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the library in a separate letter dated August 9, 2004.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

***Charles E. Harris & Associates, Inc.***  
August 9, 2004

**STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS**

**The prior audit report, as of December 31, 2001 and 2000, did not include material citations or recommendations.**





**Auditor of State  
Betty Montgomery**

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**TAYLOR MEMORIAL PUBLIC LIBRARY**

**SUMMIT 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  
OCTOBER 5, 2004**