



**Auditor of State
Betty Montgomery**

ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library, Medina County, Ohio, (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 accounting principles generally accepted in the United States of America.

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, 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 May 24, 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.

Ella M. Everhard Public Library
Medina County
Independent Accountants' Report
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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

May 24, 2004

ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$844,174				\$844,174
Other Government Grants-In-Aid	1,245,625				1,245,625
Patron Fines and Fees	47,046				47,046
Earnings on Investments	14,793		\$22,511	\$1,617	38,921
Contributions, Gifts and Donations	972			5,750	6,722
Claim Payment on Surety Bond			13,398		13,398
Miscellaneous Receipts	4,637		38,549		43,186
Total Cash Receipts	<u>2,157,247</u>	<u>\$0</u>	<u>74,458</u>	<u>7,367</u>	<u>2,239,072</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	1,264,527				1,264,527
Purchased and Contracted Services	360,214	12,000	160,968		533,182
Other Objects	356,456	403		7,220	364,079
Capital Outlay	8,541		882,631		891,172
Total Cash Disbursements	<u>1,989,738</u>	<u>12,403</u>	<u>1,043,599</u>	<u>7,220</u>	<u>3,052,960</u>
Total Cash Receipts Over/(Under) Cash Disbursements	167,509	(12,403)	(969,141)	147	(813,888)
Fund Cash Balances, January 1	<u>1,038,069</u>	<u>18,361</u>	<u>2,280,772</u>	<u>99,520</u>	<u>3,436,722</u>
Fund Cash Balances, December 31	<u>\$1,205,578</u>	<u>\$5,958</u>	<u>\$1,311,631</u>	<u>\$99,667</u>	<u>\$2,622,834</u>
Reserves for Encumbrances, December 31	<u>\$43,176</u>	<u>\$0</u>	<u>\$87,673</u>	<u>\$9,000</u>	<u>\$139,849</u>

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

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$543,559				\$543,559
Other Government Grants-In-Aid	1,211,933				1,211,933
Patron Fines and Fees	42,745				42,745
Earnings on Investments	19,280		\$98,702	\$2,413	120,395
Contributions, Gifts and Donations	1,046				1,046
Miscellaneous Receipts	9,526		31,712		41,238
	<u>1,828,089</u>	<u>\$0</u>	<u>130,414</u>	<u>2,413</u>	<u>1,960,916</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	1,121,631				1,121,631
Purchased and Contracted Services	288,064	199	324,660		612,923
Other Objects	300,128	1,446	31,710		333,284
Capital Outlay	8,013	1,004	2,769,311		2,778,328
	<u>1,717,836</u>	<u>2,649</u>	<u>3,125,681</u>	<u>0</u>	<u>4,846,166</u>
Total Cash Receipts Over/(Under) Cash Disbur:	110,253	(2,649)	(2,995,267)	2,413	(2,885,250)
Fund Cash Balances, January 1	<u>927,816</u>	<u>21,010</u>	<u>5,276,039</u>	<u>97,107</u>	<u>6,321,972</u>
Fund Cash Balances, December 31	<u>\$1,038,069</u>	<u>\$18,361</u>	<u>\$2,280,772</u>	<u>\$99,520</u>	<u>\$3,436,722</u>
Reserves for Encumbrances, December 31	<u>\$68,399</u>	<u>\$350</u>	<u>\$844,787</u>	<u>\$0</u>	<u>\$913,536</u>

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

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ella M. Everhard Public Library, Medina 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 Wadsworth City School Board of Education. The Library provides the community with various educational and literary resources.

The Wadsworth Public Library Foundation, Inc. (the Foundation) is not part of the reporting entity and is excluded from the accompanying financial statements. The Foundation is a separate corporate body. A Board of Trustees consisting of 9 interested persons residing in the State of Ohio manages the Foundation's affairs. The Library Board of Trustees appoints two members to the Foundation's Board of Trustees. The Foundation is organized exclusively for charitable, educational, scientific and literary purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to operate exclusively for the benefit of the Ella M. Everhard Public Library and to further the Library's charitable purposes.

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. STAR Ohio is recorded at share values reported by the mutual fund.

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library's only Special Revenue Fund was the Drew Carey Grant Fund. Monies maintained in this account were used to fund young adult services.

3. 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's significant capital project fund was the Library Improvement Bond Fund. This fund received bond proceeds to be used for the construction, renovation and additions to the Library.

4. Fiduciary Funds (Trust and Agency 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's Bequest Endowment Fund is an expendable trust fund. This fund receives interest and donations for general use.

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 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.

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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	\$102,371	\$281,523
Certificates of deposit		1,306,031
First Merit Money Market Bank Account	752,845	
Huntington National Bank Money Market Bank Accounts	1,130,205	
Total deposits	1,985,421	1,587,554
 STAR Ohio	 637,413	 1,849,168
 Total deposits and investments	 \$2,622,834	 \$3,436,722

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,246,561	\$2,032,914	\$213,647
Special Revenue	18,350	12,403	5,947
Capital Projects	1,426,787	1,131,272	295,515
Fiduciary	99,466	16,220	83,246
Total	\$3,791,164	\$3,192,809	\$598,355

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,912,812	\$1,786,235	\$126,577
Special Revenue	12,400	2,999	9,401
Capital Projects	4,475,162	3,970,468	504,694
Fiduciary	25,000	0	25,000
Total	\$6,425,374	\$5,759,702	\$665,672

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 of any additional revenues the Library receives.

Real property taxes become a lien on January 1 proceeding 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.

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% 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.

**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY**

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health, dental, vision and life insurance coverage to employees working at least 25 hours per week through a private carrier.

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**Auditor of State
Betty Montgomery**

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

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

We have audited the accompanying financial statements of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 24, 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated May 24, 2004.

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Ella M. Everhard Public Library
Medina County
Independent Accountants' Report on Compliance and on Internal Control
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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

May 24, 2004



**Auditor of State
Betty Montgomery**

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ELLA M. EVERHARD PUBLIC LIBRARY

MEDINA 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
JULY 22, 2004**