



Mary Taylor, CPA
Auditor of State

**ADAMS COUNTY PUBLIC LIBRARY
ADAMS COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Adams County Public Library
Adams County
157 High Street
Peebles, Ohio 45660

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Adams County Public Library, Adams County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Adams County Public Library, Adams County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2009, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

October 29, 2009

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

This discussion and analysis of the Adams County Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2008 and 2007, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

Net assets of governmental activities decreased \$213,438 or 11.62 percent from 2007 to 2008 and increased \$142,875 or 8.44 percent from 2006 to 2007. In 2008, the fund most affected by the decrease in cash and cash equivalents was the Capital Project Fund for Manchester, due to the construction of the new library building in Manchester. In 2007, the increase in cash and cash equivalents was due to restrictive spending of General Fund monies.

The Library's general receipts are primarily from the Public Library Fund (formerly the Library and Local Government Support Fund). These receipts represent 95 and 92 percent of the total cash received for governmental activities during the year for 2008 and 2007, respectively.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns. In 2008 and 2007, the major governmental funds are the General, Manchester Capital Project, and North Adams Capital Project funds.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited
(Continued)

Reporting the Library as a Whole

The statement of net assets and the statement of activities reflect how the Library did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well such as the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources.

In the statement of net assets and the statement of activities, the Library has only governmental activities. All of the Library's basic services are reported here, including library services, support services, and capital outlay. State grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are all reported in governmental funds.

The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Library's major governmental funds are the General Fund, Capital Project Manchester Building Fund, and Capital Project North Adams Building Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited
(Continued)

The Library as a Whole

Table 1 provides a summary of the Library's net assets for 2008 compared to 2007 on a cash basis

(Table 1)
Net Assets – Cash Basis

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Assets		
Cash and Cash Equivalents	\$1,623,176	\$1,836,614
Total Assets	<u>1,623,176</u>	<u>1,836,614</u>
Net Assets		
Restricted for:		
Capital Projects	405,614	757,830
Unrestricted	<u>1,217,562</u>	<u>1,078,784</u>
Total Net Assets	<u>\$1,623,176</u>	<u>\$1,836,614</u>

As mentioned previously, net assets of governmental activities decreased \$213,438 or 11.62 percent from 2007 to 2008 and increased \$142,875 or 8.44 percent from 2006 to 2007.

In 2008, the primary reason contributing to the decrease in net assets was the construction of a new library facility in Manchester, which had total expenditures of approximately \$326,000.

Although the Library and Local Government Support did not change from 2006 to 2007, the primary reasons contributing to the increase of the cash balance in 2007 was due to a reorganization of staff, therefore salaries and wages increased by less than one percent from the prior year and expenditures for supplies were reduced by approximately 17 percent from the prior year.

Table 2 reflects the changes in net assets in 2008 and 2007.

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited
(Continued)

(Table 2)
Changes in Net Assets

	Governmental	
	Activities	
	2008	2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$36,411	\$34,179
Total Program Receipts	<u>36,411</u>	<u>34,179</u>
General Receipts:		
Unrestricted Gifts and Contributions	815	171
Library and Local Government Support	981,366	997,465
Interest	52,010	85,673
Miscellaneous	803	238
Total General Receipts	<u>1,034,994</u>	<u>1,083,547</u>
Total Receipts	<u>1,071,405</u>	<u>1,117,726</u>
Disbursements:		
Library Services	939,059	942,024
Capital Outlay	345,784	32,826
Total Disbursements	<u>1,284,843</u>	<u>974,850</u>
Increase (Decrease) in Net Assets	(213,438)	142,876
Net Assets, Beginning of Year	<u>1,836,614</u>	<u>1,693,738</u>
Net Assets, End of Year	<u>\$1,623,176</u>	<u>\$1,836,614</u>

Program receipts represented 3.4 and 3.1 percent of the total receipts in 2008 and 2007, respectively, and were comprised of patron fines and fees.

General receipts represented over 96.6 and 96.9 percent of the Library's total receipts in 2008 and 2007, respectively, and of the general receipts over 94.8 and 92.1 percent are Library and Local Government Support receipts in 2008 and 2007, respectively. Unrestricted gifts, interest, and miscellaneous receipts make up the balance of the Library's general receipts and are somewhat unpredictable revenue sources.

Disbursements for Library Services in 2008 and 2007 represent the overhead costs of running the Library and the support services provided for other Library activities. These include the costs of public service programs, facility operation and maintenance, and library branch offices, as well as internal services such as payroll and purchasing. Disbursements for Capital Outlay in 2007 represent the groundwork for construction of a new facility in Manchester and in 2008 the actual construction of the facility.

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited
(Continued)

Governmental Activities

If you look at the Statement of Activities on pages 10 and 15, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursement for governmental activities is Library Services, which account for 73.1 and 96.6 percent of all governmental disbursements in 2008 and 2007, respectively. The next column of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by the Library and Local Support funds and other receipts. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3 below.

(Table 3)

Governmental Activities				
	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Current				
Library Services	939,059	(902,648)	942,024	(907,845)
Capital Outlay	345,784	(345,784)	32,826	(32,826)
Total Expenses	\$1,284,843	(\$1,248,432)	\$974,850	(\$940,671)

Over 96 percent of the total receipts of library operations are derived from general receipts in 2008 and 2007, as stated previously, this consists of primarily of state funding through the Library and Local Government Support.

The Library's Funds

Total governmental funds had receipts of \$1,071,405 and \$1,137,726 and disbursements of \$1,284,843 and \$994,850 in 2008 and 2007, respectively. The greatest change in governmental funds occurred within the Capital Project Fund for Manchester. During 2007 preparations for the construction of a new library facility were underway and in 2008 the construction of the facility was started and completed at a cost of approximately \$326,000. The fund balance of the General Fund increased as the result of efforts to contain costs and careful spending.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final budgeted receipts were \$1,016,865 in both 2008 and 2007, and actual receipts were \$1,071,405 and \$1,117,726 in 2008 and 2007, respectively, which indicates more revenues were received than budgeted.

Final disbursements were budgeted at \$2,095,649 and \$1,951,930 while actual disbursements were \$957,468 and \$986,939 in 2008 and 2007, respectively. Expenditures were will within both appropriations and actual receipts, thus resulting in an increase in fund balance in both 2008 and 2007.

Adams County Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited
(Continued)

Capital Assets and Debt Administration

Capital Assets

The Library does not currently keep track of its capital assets and infrastructure.

Debt

The Library has no outstanding debt.

Current Issues

As the preceding information shows, the Library heavily depends on state monies. Now that the Public Library Fund (formerly the Library and Local Government Support Fund) is directly tied to 2.2% of Ohio's general revenue and that economic conditions continue to deteriorate nation-wide, the Library will be faced with making changes over the next several years to contain costs and determine what other options are available to the Library to increase financial resources.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Glenda J. Jones, Fiscal Officer, Adams County Public Library, 157 High Street, Peebles, Ohio 45660 e-mail at jonesgl@oplin.org.

Adams County Public Library
Adams County
Statement of Net Assets - Cash Basis
December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,623,176</u>
<i>Total Assets</i>	<u><u>\$1,623,176</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$405,614
Unrestricted	<u>1,217,562</u>
<i>Total Net Assets</i>	<u><u>\$1,623,176</u></u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Governmental Activities
Governmental Activities			
Library Services	\$939,059	\$36,411	(\$902,648)
Capital Outlay	345,784	0	(345,784)
<i>Total Governmental Activities</i>	<u>\$1,284,843</u>	<u>\$36,411</u>	(1,248,432)
General Receipts			
Unrestricted Gifts and Contributions			815
Library and Local Government Support			981,366
Interest			52,010
Miscellaneous			803
<i>Total General Receipts</i>			1,034,994
Change in Net Assets			(213,438)
<i>Net Assets Beginning of Year</i>			<u>1,836,614</u>
<i>Net Assets End of Year</i>			<u>\$1,623,176</u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	<u>General</u>	<u>Capital Projects Manchester Building Fund</u>	<u>Capital Projects North Adams Building Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,217,562	\$130,480	\$208,487	\$66,647	\$1,623,176
<i>Total Assets</i>	<u>\$1,217,562</u>	<u>\$130,480</u>	<u>\$208,487</u>	<u>\$66,647</u>	<u>\$1,623,176</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$24,840	\$39,395	\$0	\$0	\$64,235
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	1,192,722	0	0	0	1,192,722
Capital Projects Funds	0	91,085	208,487	66,647	366,219
<i>Total Fund Balances</i>	<u>\$1,217,562</u>	<u>\$130,480</u>	<u>\$208,487</u>	<u>\$66,647</u>	<u>\$1,623,176</u>

See accompanying notes to the basic financial statements

**Adams County Public Library
Adams County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds*

For the Year Ended December 31, 2008

	General	Capital Projects Manchester Building Fund	Capital Projects North Adams Building Fund	Other Governmental Fund	Total Governmental Funds
Receipts					
Library and Local Government Support	\$981,366	\$0	\$0	\$0	\$981,366
Patron Fines and Fees	36,411	0	0	0	36,411
Contributions, Gifts and Donations	815	0	0	0	815
Earnings on Investments	52,010	0	0	0	52,010
Miscellaneous	803	0	0	0	803
<i>Total Receipts</i>	<u>1,071,405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,071,405</u>
Disbursements					
Current:					
Library Services	925,335	10,647	0	3,077	939,059
Capital Outlay	7,293	316,053	9,806	12,632	345,784
<i>Total Disbursements</i>	<u>932,628</u>	<u>326,700</u>	<u>9,806</u>	<u>15,709</u>	<u>1,284,843</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>138,777</u>	<u>(326,700)</u>	<u>(9,806)</u>	<u>(15,709)</u>	<u>(213,438)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,078,785</u>	<u>457,180</u>	<u>218,293</u>	<u>82,356</u>	<u>1,836,614</u>
<i>Fund Balances End of Year</i>	<u>\$1,217,562</u>	<u>\$130,480</u>	<u>\$208,487</u>	<u>\$66,647</u>	<u>\$1,623,176</u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$931,410	\$931,410	\$981,366	\$49,956
Patron Fines and Fees	34,557	34,557	36,411	1,854
Contributions, Gifts and Donations	774	774	815	41
Earnings on Investments	49,362	49,362	52,010	2,648
Miscellaneous	762	762	803	41
<i>Total receipts</i>	<u>1,016,865</u>	<u>1,016,865</u>	<u>1,071,405</u>	<u>54,540</u>
Disbursements				
Current:				
Library Services	1,794,132	1,794,132	950,175	843,957
Capital Outlay	301,517	301,517	7,293	294,224
<i>Total Disbursements</i>	<u>2,095,649</u>	<u>2,095,649</u>	<u>957,468</u>	<u>1,138,181</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,078,784)</u>	<u>(1,078,784)</u>	<u>113,937</u>	<u>1,192,721</u>
<i>Fund Balance Beginning of Year</i>	1,065,852	1,065,852	1,065,852	0
Prior Year Encumbrances Appropriated	12,932	12,932	12,932	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,192,721</u>	<u>\$1,192,721</u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Net Assets - Cash Basis
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,836,614</u>
<i>Total Assets</i>	<u><u>\$1,836,614</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$757,830
Unrestricted	<u>1,078,784</u>
<i>Total Net Assets</i>	<u><u>\$1,836,614</u></u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Governmental Activities
Governmental Activities		
Library Services	\$942,024	(\$907,845)
Capital Outlay	32,826	(32,826)
<i>Total Governmental Activities</i>	<u>\$974,850</u>	<u>(940,671)</u>
 General Receipts		
Unrestricted Gifts and Contributions		171
Library and Local Government Support		997,465
Interest		85,673
Miscellaneous		238
<i>Total General Receipts</i>		1,083,547
Change in Net Assets		142,876
<i>Net Assets Beginning of Year</i>		1,693,738
<i>Net Assets End of Year</i>		\$1,836,614

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Capital Projects Manchester Building Fund</u>	<u>Capital Projects North Adams Building Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,078,784	\$457,180	\$218,294	\$82,356	\$1,836,614
<i>Total Assets</i>	<u>\$1,078,784</u>	<u>\$457,180</u>	<u>\$218,294</u>	<u>\$82,356</u>	<u>\$1,836,614</u>
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$12,932	\$16,250	\$0	\$0	\$29,182
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	1,065,852	0	0	0	1,065,852
Capital Projects Funds	0	440,930	218,294	82,356	741,580
<i>Total Fund Balances</i>	<u>\$1,078,784</u>	<u>\$457,180</u>	<u>\$218,294</u>	<u>\$82,356</u>	<u>\$1,836,614</u>

See accompanying notes to the basic financial statements

**Adams County Public Library
Adams County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds*

For the Year Ended December 31, 2007

	General	Capital Projects Manchester Building Fund	Capital Projects North Adams Building Fund	Other Governmental Fund	Total Governmental Funds
Receipts					
Library and Local Government Support	\$997,465	\$0	\$0	\$0	\$997,465
Patron Fines and Fees	34,179	0	0	0	34,179
Contributions, Gifts and Donations	171	0	0	0	171
Earnings on Investments	85,673	0	0	0	85,673
Miscellaneous	238	0	0	0	238
<i>Total Receipts</i>	<u>1,117,726</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,117,726</u>
Disbursements					
Current:					
Library Services	942,024	0	0	0	942,024
Capital Outlay	11,983	13,184	0	7,659	32,826
<i>Total Disbursements</i>	<u>954,007</u>	<u>13,184</u>	<u>0</u>	<u>7,659</u>	<u>974,850</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>163,719</u>	<u>(13,184)</u>	<u>0</u>	<u>(7,659)</u>	<u>142,876</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	20,000	20,000
Transfers Out	(20,000)	0	0	0	(20,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(20,000)</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	143,719	(13,184)	0	12,341	142,876
<i>Fund Balances Beginning of Year</i>	935,065	470,364	218,294	70,015	1,693,738
<i>Fund Balances End of Year</i>	<u>\$1,078,784</u>	<u>\$457,180</u>	<u>\$218,294</u>	<u>\$82,356</u>	<u>\$1,836,614</u>

See accompanying notes to the basic financial statements

Adams County Public Library
Adams County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Library and Local Government Support	\$907,456	\$907,456	\$997,465	\$90,009
Patron Fines and Fees	31,094	31,094	34,179	3,085
Contributions, Gifts and Donations	156	156	171	15
Earnings on Investments	77,942	77,942	85,673	7,731
Miscellaneous	217	217	238	21
<i>Total receipts</i>	<u>1,016,865</u>	<u>1,016,865</u>	<u>1,117,726</u>	<u>100,861</u>
Disbursements				
Current:				
Library Services	1,627,861	1,634,861	954,956	679,905
Capital Outlay	299,069	292,069	11,983	280,086
<i>Total Disbursements</i>	<u>1,926,930</u>	<u>1,926,930</u>	<u>966,939</u>	<u>959,991</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(910,065)</u>	<u>(910,065)</u>	<u>150,787</u>	<u>1,060,852</u>
Other Financing Sources (Uses)				
Transfers Out	(25,000)	(25,000)	(20,000)	5,000
<i>Total Other Financing Sources (Uses)</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(20,000)</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	(935,065)	(935,065)	130,787	1,065,852
<i>Fund Balance Beginning of Year</i>	911,903	911,903	911,903	0
Prior Year Encumbrances Appropriated	23,162	23,162	23,162	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,065,852</u>	<u>\$1,065,852</u>

See accompanying notes to the basic financial statements

**Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007**

Note 1 – Description of the Library and Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Adams County Public Library, Adams County, (the Library) as a body corporate and politic. The Board of Education of the Adams County/Ohio Valley School District appoints a seven-member Board of Trustees to govern the Library. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Clerk-Treasurer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of the Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Adams County/Ohio Valley School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is also financially accountable for any organizations for which the Library approves their budget, the issuance of debt or the levying of their taxes. The Library has no component units or other organizations that are financially dependent upon the library.

The Friends of the Library, Inc. is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not have the ability to access a majority of the economic resources received or held by the Friends of the Library, Inc. Therefore, this organization has been excluded from the reporting entity of the Library.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, the financial statements of the Adams County Public Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are described below.

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Library as a whole. These statements include all financial activities of the Library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

The statement of net assets presents the cash basis financial condition of governmental activities of the Library at year-end. The statement of activities presents a comparison between direct cash disbursements and program cash receipts for each program or function of the Library's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the program's goods or services. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program cash receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

Fund Financial Statements

During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The Library's funds are all classified as governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects: Manchester Building Fund - This building fund accounts for monies set aside by the Board of Library Trustees specifically for major capital improvements, including a new building.

Capital Projects: North Adams Building Fund - This building fund accounts for monies set aside by the Board of Library Trustees specifically for major capital improvements, including a new building.

The other governmental fund of the Library accounts for other resources whose use is restricted to a particular purpose.

Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, (except agency funds), are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Clerk-Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from the prior years. The amounts reported as the final budgeted amounts represent the final appropriation amount passed by the Trustees during the year.

E. Deposits and Investments

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

During 2008 and 2007, the Library had funds in a checking account, STAR Ohio and nonnegotiable certificates of deposit, all of which are recorded at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest receipts credited to the general fund during 2008 and 2007 amounted to \$52,010 and \$85,673, respectively, which includes \$13,000 and \$35,351, respectively, assigned from other Library funds.

Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Capital assets (fixed assets) acquired or constructed for the Library are recorded as disbursements at the time of acquisition. These items are not reflected as assets in the accompanying financial statements.

H. Accumulated Leave

In certain circumstances, such as upon retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for capital projects include resources restricted for the construction of new facilities and technological equipment. The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

K. Fund Balance Reserve

The Library reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

L. Interfund Transactions

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. In the government-wide financial statements transfers within governmental activities are eliminated.

Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance. The encumbrances outstanding at year end (budgetary basis) amounted to \$24,840 and \$12,932, for 2008 and 2007, respectively.

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)**

Note 4 - Deposits and Investments (Continued)

7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$722,279 and \$1,012,915, of the Library's bank balance of \$1,192,904 and \$1,212,915 in 2008 and 2007, respectively, was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2008 and 2007, the Library had the following investment:

	2008		2007	
	<u>Carrying Value</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	<u>\$478,135</u>		<u>\$637,438</u>	

STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 5 – Public Library Fund

The primary source of revenue for Ohio public libraries is the State Public Library Fund (PLF). The PLF is allocated to each county based on the county's prior intangibles tax of PLF 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.

**Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)**

Note 6 – Risk Management

Commercial Insurance

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008 and 2007, the Library contracted with Westfield Company for various types of insurance coverage as follows:

Type of Coverage	Amount of Coverage
Commercial Property	\$ 6,128,500
General Liability (Aggregate)	2,000,000
Vehicle	1,000,000
Personal and Advertising Injury Limit (Per person or organization)	1,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 7 – Defined Benefit Pension Plan

Plan Description - The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008 and 2007, the members in state and local classifications contributed 10 percent of covered payroll. The Library's contribution rate for 2008 and 2007 was 14.0 and 13.85 percent, respectively.

The Library's required contributions for pension obligations to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$74,837, \$73,547 and \$72,051 respectively. At year end, 100 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

Adams County Public Library
Adams County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2008 and 2007
(Continued)

Note 8 - Postemployment Benefits

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008 and 2007, local government employers contributed 14.0 and 13.85 percent, respectively, of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund postemployment healthcare was 7 percent of covered payroll from January 1 through December 31, 2008, 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 through December 31, 2007.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Library's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$37,419, \$31,413, and \$23,667 respectively; 100 percent has been contributed for 2008, 2007 and 2006.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006. January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the healthcare plan.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Adams County Public Library
Adams County
157 High Street
Peebles, Ohio 45660

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Adams County Public Library, Adams County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Library's basic financial statements and have issued our report thereon dated October 29, 2009. We also noted the Library uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Library. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Library's management in a separate letter dated October 29, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the Library's management in a separate letter dated October 29, 2009.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 29, 2009



Mary Taylor, CPA
Auditor of State

ADAMS COUNTY PUBLIC LIBRARY

ADAMS 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
NOVEMBER 12, 2009**