



Mary Taylor, CPA  
Auditor of State



DELTA PUBLIC LIBRARY  
FULTON COUNTY

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# Mary Taylor, CPA Auditor of State

Delta Public Library  
Fulton County  
402 Main Street  
Delta, Ohio 43515-1304

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 20, 2009

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Delta Public Library  
Fulton County  
402 Main Street  
Delta, Ohio 43515-1304

To the Board of Trustees:

We have audited the accompanying financial statements of the Delta Public Library, Fulton County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007. 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 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 Library 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 opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Delta Public Library, Fulton County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 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.

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

August 20, 2009



**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$113,404			\$113,404
Library and Local Government Support	292,620			292,620
Intergovernmental	29,141			29,141
Patron Fines and Fees	12,648			12,648
Contributions, Gifts and Donations	12,584			12,584
Earnings on Investments	3,311	\$ 9,966		13,277
	<u>463,708</u>	<u>9,966</u>		<u>473,674</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	251,291			251,291
Employee Fringe Benefits	52,866			52,866
Purchased and Contractual Services	49,080			49,080
Library Materials and Information	77,520			77,520
Supplies	11,936			11,936
Other	6,921			6,921
Capital Outlay	34,441	125,702		160,143
	<u>484,055</u>	<u>125,702</u>		<u>609,757</u>
Total Cash Disbursements	<u>484,055</u>	<u>125,702</u>		<u>609,757</u>
Total Disbursements Over Receipts	<u>(20,347)</u>	<u>(115,736)</u>		<u>(136,083)</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Sale of Fixed Assets	459			459
Transfers-In		148,000		148,000
Transfers-Out	(148,000)			(148,000)
	<u>(147,541)</u>	<u>148,000</u>		<u>459</u>
Total Other Financing Receipts / (Disbursements)	<u>(147,541)</u>	<u>148,000</u>		<u>459</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(167,888)	32,264		(135,624)
Fund Cash Balances, January 1	210,003	311,725	1,912	523,640
<b>Fund Cash Balances, December 31</b>	<b><u>\$42,115</u></b>	<b><u>\$343,989</u></b>	<b><u>\$1,912</u></b>	<b><u>\$388,016</u></b>
Reserve for Encumbrances, December 31	<u>\$12,666</u>			<u>\$12,666</u>

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

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$133,517			\$133,517
Library and Local Government Support	295,055			295,055
Intergovernmental	21,937			21,937
Patron Fines and Fees	17,016			17,016
Contributions, Gifts and Donations	13,515			13,515
Earnings on Investments	9,480	\$ 16,253		25,733
<b>Total Cash Receipts</b>	<u>490,520</u>	<u>16,253</u>		<u>506,773</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	243,718			243,718
Employee Fringe Benefits	53,602			53,602
Purchased and Contractual Services	59,053			59,053
Library Materials and Information	78,349			78,349
Supplies	10,551			10,551
Other	4,967			4,967
Capital Outlay	42,503	987		43,490
<b>Total Cash Disbursements</b>	<u>492,743</u>	<u>987</u>		<u>493,730</u>
Total Receipts Over/(Under) Disbursements	<u>(2,223)</u>	<u>15,266</u>		<u>13,043</u>
<b>Other Financing Receipts:</b>				
Sale of Fixed Assets	<u>1,225</u>			<u>1,225</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(998)	15,266		14,268
Fund Cash Balances, January 1	<u>211,001</u>	<u>296,459</u>	<u>1,912</u>	<u>509,372</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$210,003</b></u>	<u><b>\$311,725</b></u>	<u><b>\$1,912</b></u>	<u><b>\$523,640</b></u>
Reserve for Encumbrances, December 31	<u>\$7,221</u>	<u>\$5,500</u>		<u>\$12,721</u>

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

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Delta Public Library, Fulton County, Ohio (the Library), as a body corporate and politic. The Pike-Delta-York Local School District Board of Education appoints a seven-member Board of Trustees to govern the Library. 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. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposits at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Capital Projects Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project funds:

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

Present Building Fund – This fund receives money from general operations and interest earned on investments to be used to maintain the current library.

New Library Building Fund – This fund receives money from general operations and interest earned on investments to be used to build a new library building.

**3. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Library's programs. The Library had the following significant permanent fund:

Welch/Bratton Fund – The principal (corpus) balance of these trusts are maintained in this fund to earn a higher interest income which is to be used to purchase children's books and videos.

**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, function, and object level of control.

A summary of 2008 and 2007 budgetary activity appears in Note 4.

**F. Property, Plant, and Equipment**

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Prior Period Restatement**

In prior years the Library reported the Welch/Bratton Fund as a private purpose trust fund. In 2007, based on the intended use of the fund the Library has appropriately reclassified this fund as a permanent fund. This change resulted in the entire private purpose fund balance previously reported at December 31, 2006 to be reclassified to the permanent fund type. There were no permanent funds in the prior period.

**3. Equity in Pooled Deposits and Investments**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. Equity in Pooled Deposits and Investments (Continued)**

	2008	2007
Demand deposits	\$166,791	\$308,773
Certificates of deposit	69,786	67,357
Total deposits	236,577	376,130
STAR Ohio	151,439	147,510
Total deposits and investments	\$388,016	\$523,640

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Library; 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.

**4. Budgetary Activity**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

**2008 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$479,885	\$464,167	(\$15,718)
Capital Projects	18,500	157,966	139,466
Total	\$498,385	\$622,133	\$123,748

**2008 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$738,155	\$644,721	\$93,434
Capital Projects	198,000	125,702	72,298
Total	\$936,155	\$770,423	\$165,732

**2007 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$509,670	\$491,745	(\$17,925)
Capital Projects	8,000	16,253	8,253
Total	\$517,670	\$507,998	(\$9,672)

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**4. Budgetary Activity (Continued)**

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$571,425	\$499,964	\$71,461
Capital Projects	50,000	6,487	43,513
Total	\$621,425	\$506,451	\$114,974

**5. 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 State allocates LLGSF 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 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

Property owners assess tangible personal property tax. These owners must file a list of tangible 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.

**6. Retirement System**

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Library contributed an amount equaling 13.85% and 14%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2008.

**DELTA PUBLIC LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**7. Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

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# 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 STANDARD*

Delta Public Library  
Fulton County  
402 Main Street  
Delta, Ohio 43515-1304

To the Board of Trustees:

We have audited the financial statements of the Delta Public Library, Fulton County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 20, 2009, wherein we noted the Library prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 opinion 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.

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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 August 20, 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 intend this report solely for the information and use of the audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 20, 2009



Mary Taylor, CPA  
Auditor of State

**DELTA PUBLIC LIBRARY**

**FULTON 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 6, 2009**