



Mary Taylor, CPA
Auditor of State

MARY L. COOK PUBLIC LIBRARY
WARREN COUNTY

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mary L. Cook Public Library
Warren County
381 Old Stage Road
Waynesville, Ohio 45068

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mary L. Cook Public Library, Warren 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 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 opinions.

As described more fully in Note 2, the Library has prepared these financial statements using the modified 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 financial position of the governmental activities and each major fund of the Mary L. Cook Public Library, Warren County, Ohio, as of December 31, 2008 and 2007, and the respective changes in financial position and the budgetary comparison for the General Fund 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 June 23, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 23, 2009

Mary L. Cook Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

This discussion and analysis of the Ohio Local Government's financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2008 and December 31, 2007, within the limitations of the Board's cash basis 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 are as follows:

Government receipts from LLGSF were down 1% from 2007, while our operating expenses increased 4%.

In collaboration with the Warren County Career Center, American Legion Post 615, and Waynesville Lumber, the students from the career center built a beautiful gazebo for our park.

From our Building and Maintenance Fund, we added wiring and computer carrels for additional internet stations, reupholstered all of the chairs in the library, and installed a feature wall in the entrance to the library.

Key highlights for 2007 are as follows:

Government receipts from LLGSF were down 1% from 2006, while our operating expenses increased 7%.

From our Building and Maintenance Fund, we installed lighting in the handicapped parking area and an irrigation system for the park.

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 Government's modified 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.

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.

Mary L. Cook Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

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.

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. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity 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 condition of the Library's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as income taxes.

In the statement of net assets and the statement of activities, the Library reports all financial activity as Governmental Activities. This activity includes all the Library's basic activities, including library services, support services, and capital outlay. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Government'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 restricted money is being spent for the intended purpose. All of the Library's activities are 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

Mary L. Cook Public Library
 Management's Discussion and Analysis
 For the Year Ended December 31, 2008 and 2007
 Unaudited

finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the General Fund, the Building Fund, and the Technology Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Library as a Whole

Table 1 provides a summary comparison of the Library's net assets for 2008, 2007, and 2006:

Table 1
Net Assets

	Governmental Activities		
	2008	2007	2006
Assets			
Cash and Cash Equivalents	\$576,281	\$648,316	\$669,532
Net Assets			
Restricted for:			
Capital Projects	482,555	317,339	293,593
Unrestricted	93,726	330,977	375,939
Total Net Assets	\$576,281	\$648,316	\$669,532

In 2008, total assets decreased by \$72,035. In 2007, total assets decreased by \$21,216.

Mary L. Cook Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

Table 2 reflects the changes in net assets for the years ended December 31, 2008, December 31, 2007, and December 31, 2006.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$17,473	\$17,539	\$17,812
Operating Grants and Contributions	900	1,390	3,218
Capital Grants and Contributions			
Total Program Receipts	18,373	18,929	21,030
General Receipts:			
Library and Local Government Support Fund	684,919	688,675	696,651
Unrestricted Gifts and Contributions	8,309	11,626	3,822
Interest	21,449	32,472	30,484
Miscellaneous	1,637	9,719	4,528
Total General Receipts	716,314	742,492	735,486
Total Receipts	734,687	761,421	756,516
Disbursements:			
Salaries	401,780	385,080	368,444
Employee Fringe Benefits	67,897	65,737	60,994
Purchased and Contractual Services	87,975	96,391	96,065
Library Materials and Information	108,816	96,555	153,135
Supplies	16,569	13,627	11,184
Other	6,789	5,998	4,782
Capital Outlay	117,293	119,249	48,502
Total Disbursements	807,119	782,637	743,106
Change in Net Assets	(\$72,432)	(\$21,216)	\$13,410

Program receipts represent only 3 percent of total receipts for 2007 and 2008, and are primarily comprised of patron fines and fees.

General Receipts represent 97 percent of the Library's total receipts for 2007 and 2008. The funds received from the Library and Local Government Support Fund (LLGSF) represent a large percentage of the Library's total receipts: 92% in 2007, and 94% in 2008.

Disbursements represent the costs associated with activities the Library is responsible for such as public service programs, collection development and processing, facility operation and maintenance, information services and business administration.

Mary L. Cook Public Library
 Management's Discussion and Analysis
 For the Year Ended December 31, 2008 and 2007
 Unaudited

Governmental Activities

The Statement of Activities – Modified Cash Basis on page 10 shows the cost of program services as well as the amounts paid by people who are directly charged for services and operating grants and contributions that must be used to provide specific services. Table 3 shows the total of the cost of the services and the net cost of services. The net cost of services identifies the cost of those services which is paid from the general receipts.

Table 3
Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Library Services	\$807,119	\$788,319	\$779,385	\$761,311

In 2008 98% of our services are supported through general receipts. In 2007, 97% of our services were supported by general receipts. Again, the bulk of our general receipts come from LLGSF funding. Any decrease in this funding source has a substantial impact on the services the Library can provide.

The Library's Funds

In 2008, total governmental funds had receipts of \$734,687 and disbursements of \$807,119.

2008 General Fund receipts were more than disbursements by \$37,352. The Library transferred \$250,000 to the Building Fund and \$25,000 to the Technology Fund from the General Fund at year-end, resulting in a General Fund decrease of \$237,648.

2008 Building Fund disbursements totaled \$102,279 for maintenance, electric and computer carrels for additional internet computers, reupholster of chairs, and installation of a feature wall at the library entrance.

2008 Technology Fund disbursements totaled \$14,443 for the addition of 8 patron workstations and updates to staff workstations.

In 2007, total governmental funds had receipts of \$761,421 and disbursements of \$782,637.

2007 General Fund receipts were more than disbursements by \$80,037. The Library transferred \$100,000 to the Building Fund and \$25,000 to the Technology Fund from the General Fund at year-end, resulting in a General Fund decrease of \$44,963 for 2007.

2007 Building Fund disbursements totaled \$78,853 for maintenance, lighting for the handicapped parking area, landscaping and irrigation for the park, replacing the carpet in most of the building, and installation of a heat pump in the Tech room.

Mary L. Cook Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

2007 Technology Fund disbursements totaled \$37,144 for updates and maintenance of technology, as well as the addition of 2 early literacy stations in the children's room.

General Fund Budgeting Highlights

The Government'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.

During 2008, General Fund final budgeted receipts were less than original budgeted receipts due to a decrease in LLGSF funding. Warren County originally certified a budget of \$701,576 and then amended to \$687,223. Actual receipts were \$684,919 which represents \$16,657 less revenue than budgeted. Disbursements were below budget, allowing for an excess of \$37,352 over receipts.

During 2007, General Fund budgeted receipts were less than original budgeted receipts due to a decrease in LLGSF funding. Warren County originally certified a budget of \$762,762. Actual receipts were \$688,675 which represents \$74,087 less revenue than budgeted. Disbursements were below budget, allowing for an excess of \$80,037 over receipts.

Capital Assets and Debt Administration

Capital Assets

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

Debt

The Library had no outstanding debt at December 31, 2007 or December 31, 2008.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on LLGSF funding. Reductions in LLGSF funding to Library's continues to be a major challenge facing the library.

Contacting the Government'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 Kelly Maloney, Clerk-Treasurer, Mary L. Cook Public Library, 381 Old Stage Road, Waynesville, Ohio 45068, or email at maloneke@oplin.org.

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Net Assets - Modified Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$17,888
Restricted Cash	2,200
Investments	<u>556,193</u>
<i>Total Assets</i>	<u><u>\$576,281</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$482,555
Unrestricted	<u>93,725</u>
<i>Total Net Assets</i>	<u><u>\$576,281</u></u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2008

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> <u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities			
Library Services	\$807,119	\$18,801	(\$788,318)
<i>Total Governmental Activities</i>	<u>\$807,119</u>	<u>\$18,801</u>	(788,318)
 General Receipts			
Unrestricted Gifts and Contributions			7,109
Grants and Entitlements not Restricted			685,819
Earnings on Investments			21,449
Miscellaneous			309
<i>Total General Receipts</i>			<u>714,687</u>
Special Items			1,200
Total General Receipts and Special Items			715,887
Change in Net Assets			<u>(72,432)</u>
<i>Net Assets Beginning of Year</i>			<u>648,713</u>
<i>Net Assets End of Year</i>			<u>\$576,281</u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Modified Cash Basis Assets and Fund Balances

Governmental Funds

December 31, 2008

	GENERAL FUND	BUILDING FUND	TECHNOLOGY FUND	TOTAL GOVERNMENTAL FUNDS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$17,888	\$0	\$0	\$17,888
Restricted Cash	2,200	0	0	2,200
Investments	73,638	425,601	56,954	556,193
<i>Total Assets</i>	<u>\$93,726</u>	<u>\$425,601</u>	<u>\$56,954</u>	<u>\$576,281</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$93,725	\$0	\$0	\$93,725
Capital Projects Funds	0	425,601	56,954	482,555
<i>Total Fund Balances</i>	<u>\$93,725</u>	<u>\$425,601</u>	<u>\$56,954</u>	<u>\$576,281</u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	GENERAL FUND	BUILDING FUND	TECHNOLOGY FUND	TOTAL GOVERNMENTAL FUNDS
Receipts				
Public Library	\$684,919	\$0	\$0	\$684,919
Intergovernmental	900	0	0	900
Patron, Fines and Fees	17,473	0	0	17,473
Contributions, Gifts and Donations	8,009	300	0	8,309
Earnings on Investments	14,811	5,629	1,009	21,449
Miscellaneous	1,637	0	0	1,637
Total Receipts	<u>727,750</u>	<u>5,929</u>	<u>1,009</u>	<u>734,687</u>
Disbursements				
Current:				
Library Services	690,397	102,279	14,443	807,119
Total Disbursements	<u>690,397</u>	<u>102,279</u>	<u>14,443</u>	<u>807,119</u>
Excess of Receipts Over (Under) Disbursements	<u>37,352</u>	<u>(96,350)</u>	<u>(13,434)</u>	<u>(72,432)</u>
Other Financing Sources (Uses)				
Transfers In	0	250,000	25,000	275,000
Transfers Out	<u>(275,000)</u>	<u>0</u>	<u>0</u>	<u>(275,000)</u>
Total Other Financing Sources (Uses)	<u>(275,000)</u>	<u>250,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balances	(237,648)	153,650	11,566	(72,432)
Fund Balances Beginning of Year	<u>331,373</u>	<u>271,951</u>	<u>45,388</u>	<u>648,713</u>
Fund Balances End of Year	<u><u>\$93,725</u></u>	<u><u>\$425,601</u></u>	<u><u>\$56,954</u></u>	<u><u>\$576,281</u></u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual - Budget Basis

Fund 1000

For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$701,576	\$687,223	\$684,919	(\$2,304)
Intergovernmental	0	2,000	900	(1,100)
Patron, Fines and Fees	17,000	15,000	17,473	2,473
Contributions, Gifts and Donations	2,000	2,000	8,009	6,009
Earnings on Investments	15,000	15,000	14,811	(189)
Miscellaneous	100	100	1,637	1,537
<i>Total receipts</i>	<u>735,676</u>	<u>721,323</u>	<u>727,750</u>	<u>6,427</u>
Disbursements				
Current:				
Library Services	<u>735,300</u>	<u>738,072</u>	<u>690,397</u>	<u>47,675</u>
<i>Total Disbursements</i>	<u>735,300</u>	<u>738,072</u>	<u>690,397</u>	<u>47,675</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>376</u>	<u>(16,749)</u>	<u>37,352</u>	<u>54,101</u>
Other Financing Sources (Uses)				
Transfers Out	(150,000)	(300,000)	(275,000)	25,000
Other Financing Uses	<u>(20,000)</u>	<u>(2,875)</u>	<u>0</u>	<u>2,875</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(170,000)</u>	<u>(302,875)</u>	<u>(275,000)</u>	<u>27,875</u>
<i>Net Change in Fund Balance</i>	(169,624)	(319,624)	(237,648)	81,977
<i>Unencumbered Cash Balance Beginning of Year</i>	<u>331,373</u>	<u>331,373</u>	<u>331,373</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$161,749</u>	<u>\$11,749</u>	<u>\$93,725</u>	<u>\$81,977</u>

See accompanying notes to the basic financial statements

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MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Net Assets - Modified Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$25,456
Restricted Cash	2,385
Investments	<u>620,475</u>
<i>Total Assets</i>	<u><u>\$648,316</u></u>
Net Assets	
Restricted for:	
Capital Projects	\$317,340
Unrestricted	<u>330,977</u>
<i>Total Net Assets</i>	<u><u>\$648,316</u></u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2007

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> Charges for Services and Sales	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u> Governmental Activities
Governmental Activities			
Library Services	<u>\$782,637</u>	<u>\$18,074</u>	<u>(\$764,562)</u>
<i>Total Governmental Activities</i>	<u><u>\$782,637</u></u>	<u><u>\$18,074</u></u>	<u><u>(764,562)</u></u>
General Receipts			
Unrestricted Gifts and Contributions			9,406
Grants and Entitlements not Restricted			690,065
Earnings on Investments			32,471
Miscellaneous			<u>9,184</u>
<i>Total General Receipts</i>			741,126
Special Items			<u>2,220</u>
Total General Receipts and Special Items			743,346
Change in Net Assets			<u>(21,216)</u>
<i>Net Assets Beginning of Year</i>			<u>669,532</u>
<i>Net Assets End of Year</i>			<u><u>\$648,316</u></u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Modified Cash Basis Assets and Fund Balances

Governmental Funds

December 31, 2007

	GENERAL FUND	BUILDING FUND	TECHNOLOGY FUND	TOTAL GOVERNMENTAL FUNDS
Assets				
Equity in Pooled Cash and Cash Equivalents	\$25,456	\$0	\$0	\$25,456
Restricted Cash	2,385	0	0	2,385
Investments	303,135	271,951	45,388	620,475
<i>Total Assets</i>	<u>\$330,977</u>	<u>\$271,951</u>	<u>\$45,388</u>	<u>\$648,316</u>
Fund Balances				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	\$330,977	\$0	\$0	\$330,977
Capital Projects Funds	0	271,951	45,388	317,340
<i>Total Fund Balances</i>	<u>\$330,977</u>	<u>\$271,951</u>	<u>\$45,388</u>	<u>\$648,316</u>

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY
Statement of Cash Receipts, Disbursements and Changes in Modified-Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	GENERAL FUND	BUILDING FUND	TECHNOLOGY FUND	TOTAL GOVERNMENTAL FUNDS
Receipts				
Library and Local Government Support	\$688,675	\$0	\$0	\$688,675
Intergovernmental	1,390	0	0	1,390
Patron, Fines and Fees	17,539	0	0	17,539
Contributions, Gifts and Donations	11,001	626	0	11,626
Earnings on Investments	18,354	12,038	2,079	32,471
Miscellaneous	9,719	0	0	9,719
Total Receipts	746,677	12,664	2,079	761,421
Disbursements				
Current:				
Library Services	666,640	78,853	37,144	782,637
Total Disbursements	666,640	78,853	37,144	782,637
Excess of Receipts Over (Under) Disbursements	80,037	(66,189)	(35,064)	(21,216)
Other Financing Sources (Uses)				
Transfers In	0	100,000	25,000	125,000
Transfers Out	(125,000)	0	0	(125,000)
Total Other Financing Sources (Uses)	(125,000)	100,000	25,000	0
Net Change in Fund Balances	(44,963)	33,811	(10,064)	(21,216)
Fund Balances Beginning of Year	375,940	238,140	55,453	669,532
Fund Balances End of Year	\$330,977	\$271,951	\$45,388	\$648,316

See accompanying notes to the basic financial statements

MARY L. COOK PUBLIC LIBRARY, WARREN COUNTY

Statement of Receipts, Disbursements and Changes

In Fund Balance - Budget and Actual - Budget Basis

Fund 1000

For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Library and Local Government Support	\$762,762	\$762,762	\$688,675	(\$74,087)
Intergovernmental	0	0	1,390	1,390
Patron, Fines and Fees	15,000	15,000	17,539	2,539
Contributions, Gifts and Donations	2,700	2,700	11,001	8,301
Earnings on Investments	20,000	20,000	18,354	(1,646)
Miscellaneous	500	500	9,719	9,219
<i>Total receipts</i>	<u>800,962</u>	<u>800,962</u>	<u>746,677</u>	<u>(54,285)</u>
Disbursements				
Current:				
Library Services	<u>760,598</u>	<u>767,503</u>	<u>666,640</u>	<u>100,863</u>
<i>Total Disbursements</i>	<u>760,598</u>	<u>767,503</u>	<u>666,640</u>	<u>100,863</u>
<i>Excess of Receipts Over Disbursements</i>	<u>40,364</u>	<u>33,459</u>	<u>80,037</u>	<u>46,578</u>
Other Financing Sources (Uses)				
Transfers Out	(125,000)	(125,000)	(125,000)	0
Other Financing Uses	<u>(15,000)</u>	<u>(8,095)</u>	<u>0</u>	<u>8,095</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(140,000)</u>	<u>(133,095)</u>	<u>(125,000)</u>	<u>8,095</u>
<i>Net Change in Fund Balance</i>	(99,636)	(99,636)	(44,963)	54,673
<i>Unencumbered Cash Balance Beginning of Year</i>	375,341	375,341	375,341	0
Prior Year Encumbrances Appropriated	<u>598</u>	<u>598</u>	<u>598</u>	<u>0</u>
<i>Unencumbered Cash Balance End of Year</i>	<u>\$276,303</u>	<u>\$276,303</u>	<u>\$330,977</u>	<u>\$54,673</u>

See accompanying notes to the basic financial statements

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Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 1 – Description of the Library and Reporting Entity

The Mary L. Cook Public Library (the Library) was organized as a school district public library in 1917 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Ohio Board of Education. 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 Wayne Local 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 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 Wayne Local School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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 Mary L. Cook Public Library have been prepared on a modified cash basis of accounting. This modified 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 modified cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The most significant of the Library's accounting policies are described below.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Government-wide Financial Statements

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

The statement of net assets presents the cash and investment balances of the governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a modified 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.

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 balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building and Repair Fund - The building and repair fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

Technology Fund - The technology fund accounts for resources restricted to technology upgrades.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year 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 modified cash basis of accounting. Except for modifications having substantial support, 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. Any such modifications made by the Library are described in the appropriate section in this note.

As a result of the use of this modified 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 liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All 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 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 appropriations 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 prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

E. Cash and Cash Equivalents

Library records the purchase of specific investments by specific funds.

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 negative receipts, respectively.

During 2007, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, a money market fund, and STAR Ohio. Except for the money market fund and STAR Ohio, these investments are recorded at cost.

During 2008, investments were limited to a money market fund, STAR Ohio, and nonnegotiable certificates of deposit. The nonnegotiable certificates of deposits are recorded at cost.

The Library's money market fund investment is recorded at amounts report by UVEST on December 31, 2008 and 2007.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipt credited to the general fund during 2008 amounted to \$21,449.11 which includes \$6,637.62 assigned from other Library funds. Interest receipt credited to the general fund during 2007 amounted to \$32,471.49 which includes \$14,117.84 assigned from other Library funds.

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent \$2,200 for 2008. Restricted assets represent \$2,385 for 2007.

G. 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.

H. Capital Assets

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

I. Accumulated Leave

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

J. 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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 2 – Summary of Significant Accounting Policies (continued)

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for purchasing internet filtering licenses; for purchase of murals, bricks, benches; and for use toward Ohioana events. 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.

L. Fund Balance Reserves

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.

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 difference between the budgetary basis and the modified cash basis in outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis). There were no encumbrances outstanding at year end (budgetary basis).

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.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 4 – Deposits and Investments (continued)

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;
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.

At year end for both 2008 and 2007, the Library had \$150.00 in undeposited cash on hand which is included as part of Equity in Pooled Cash and Cash Equivalents on the financial statements.

Deposits

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.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 4 – Deposits and Investments (continued)

Investments

The following deposit/investment objectives will be applied in the management of funds of the Mary L. Cook Public Library. The deposit/investment program shall preserve capital and protect investment principle within defined parameters. The deposit/investment program shall maintain sufficient liquidity to meet reasonably anticipated fiscal operating requirements on an on-going basis throughout the fiscal cycle. The deposit/investment program shall strive to attain the best total return or yield on deposited and invested funds of the Library as is reasonable and prudently achievable within defined parameters. All attempts shall be made to minimize risks inherent in investment through diversification so as to eliminate the risk of loss resulting from an over-concentration of funds in a specific maturity, issuer, industry, geographical area, or class of securities. All attempts shall be made to minimize the costs of financial transactions related to implementing investment strategies.

As of December 31, 2008, the Library had the following investments:

	Carrying Value	Maturity
Ravenswood Bank CD	\$100,000	07/2009
Bank of Anderson CD	100,000	02/2009
Money Market Mutual Fund	1,153	
STAR Ohio	355,040	
Total Investments	\$556,193	

As of December 31, 2007, the Library had the following investments:

	Carrying Value	Maturity
Federal Home Loan Mortgage Corporation Notes	\$96,897	10/2008
Federal Home Loan Bank Notes	97,060	06/2008
Money Market Mutual Fund	121	
STAR Ohio	426,397	
Total Investments	\$620,475	

Interest rate risk arises because the fair value of investment changes as interest rates change. The Library's investment policy addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The federal home loan mortgage corporation notes and federal home loan bank notes carry a rating of Aaa by Moody's and AAA by Standard & Poor's. STAR Ohio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Library's name. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee." Of the Library's total investments as of December 31, 2007, 15.62% are FHLMC, 15.64% are FHLB, 0.02% are MMMF, and 68.72% are STAR Ohio.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 5 - Risk Management

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors & Omissions
- Fidelity and Deposit

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 6 - Defined Benefit Pension Plan

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) 222-5601 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10 percent of their annual covered salaries. The Library's contribution rate for pension benefits for 2007 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Library's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Library's required contributions for all plans for the years ended December 31, 2008, 2007, and 2006 were \$54,455, \$52,731, and \$51,634 respectively. The full amount has been contributed for 2008, 2007 and 2006.

Mary L. Cook Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007
(Continued)

Note 7 - Postemployment Benefits

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post retirement 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 post retirement healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post retirement 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 Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

The post retirement healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post retirement 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 post retirement healthcare benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14 percent of covered payroll. In 2007, local government employers contributed 13.85 percent of covered payroll. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Library of 14 percent.

The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding post retirement healthcare benefits. For 2008, the employer contribution allocated to the health care plan was 7% of covered payroll. For 2007, the employer contribution allocated to the health care plan was 5% of covered payroll from January 1 through June 30, 2007 and 6% of covered payroll from July 1 through December 31, 2007.

The Library's contributions allocated to fund post retirement healthcare benefits for the years ended December 31, 2008, 2007, and 2006 were \$27,227, \$20,958 and \$16,962, respectively; 100 percent has been contributed for 2008, 2007, and 2006.

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.

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.

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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 STANDARDS

Mary L. Cook Public Library
Warren County
381 Old Stage Road
Waynesville, Ohio 45068

To the Board of Trustees:

We have audited the financial statements of the governmental activities and each major fund of Mary L. Cook Public Library, Warren 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 June 23, 2009 wherein we noted the Library followed accounting practices the Auditor of State prescribes 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 Mary L. Cook Public Library because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 a certain matter that we reported to the Library's management in a separate letter dated June 23, 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 management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 23, 2009



Mary Taylor, CPA
Auditor of State

MARY L. COOK PUBLIC LIBRARY

WARREN 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 14, 2009