



Mary Taylor, CPA
Auditor of State

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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Mary Taylor, CPA
Auditor of State

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501-1080

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 Library 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.

Mary Taylor

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June 2, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501 – 1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library, Clark County, (the Library) as of and for the years ended December 31, 2009 and 2008. 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. 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, 2009 and 2008 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, 2009 and 2008, 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 Clark County Public Library, Clark County, as of December 31, 2009 and 2008, 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 June 2, 2010, 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

June 2, 2010

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Library and Local Government Support	3,974,374				3,974,374
Patron Fines and Fees	132,047				132,047
Services Provided to Other Entities	3,244				3,244
Contributions, Gifts and Donations	105,744				105,744
Earnings on Investments	10,696	\$202		\$1,586	12,484
Miscellaneous	109,065				109,065
Total Cash Receipts	4,335,170	202		1,586	4,336,958
Cash Disbursements:					
Current:					
Salaries	2,214,054				2,214,054
Employee Fringe Benefits	897,277				897,277
Purchased and Contractual Services	760,940	9,832			770,772
Library Materials and Information	556,999			2,384	559,383
Supplies	74,262				74,262
Other	11,574				11,574
Capital Outlay	118,374		\$1,330,900	10,807	1,460,081
Total Cash Disbursements	4,633,480	9,832	1,330,900	13,191	5,987,403
Total Receipts Under Disbursements	(298,310)	(9,630)	(1,330,900)	(11,605)	(1,650,445)
Other Financing Receipts:					
Other Financing Sources	8,356				8,356
Total Other Financing Receipts	8,356				8,356
Cash Receipts and Other Financing Receipts Under Cash Disbursements	(289,954)	(9,630)	(1,330,900)	(11,605)	(1,642,089)
Fund Cash Balances, January 1	1,553,863	9,630	3,561,870	549,043	5,674,406
Fund Cash Balances, December 31	\$1,263,909	\$0	\$2,230,970	\$537,438	\$4,032,317
Reserve for Encumbrances, December 31	\$39,564	\$0	\$45,687	\$913	\$86,164

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

	<u>All Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Library and Local Government Support	\$4,835,114				\$4,835,114
Patron Fines and Fees	116,505				116,505
Services Provided to Other Entities	2,185				2,185
Contributions, Gifts and Donations	32,534				32,534
Earnings on Investments	176,985	\$463		\$14,905	192,353
Miscellaneous	60,734				60,734
Total Cash Receipts	<u>5,224,057</u>	<u>463</u>		<u>14,905</u>	<u>5,239,425</u>
Cash Disbursements:					
Current:					
Salaries	2,514,609				2,514,609
Employee Fringe Benefits	999,780				999,780
Purchased and Contractual Services	1,086,865				1,086,865
Library Materials and Information	1,183,439				1,183,439
Supplies	181,906				181,906
Other	21,649				21,649
Capital Outlay	204,584		\$711,111	26,694	942,389
Total Cash Disbursements	<u>6,192,832</u>		<u>711,111</u>	<u>26,694</u>	<u>6,930,637</u>
Total Receipts Over/(Under) Disbursements	<u>(968,775)</u>	<u>463</u>	<u>(711,111)</u>	<u>(11,789)</u>	<u>(1,691,212)</u>
Other Financing Receipts :					
Other Financing Sources	5,916				5,916
Total Other Financing Receipts	<u>5,916</u>				<u>5,916</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>(962,859)</u>	<u>463</u>	<u>(711,111)</u>	<u>(11,789)</u>	<u>(1,685,296)</u>
Fund Cash Balances, January 1	<u>2,516,722</u>	<u>9,167</u>	<u>4,272,981</u>	<u>560,832</u>	<u>7,359,702</u>
Fund Cash Balances, December 31	<u>\$1,553,863</u>	<u>\$9,630</u>	<u>\$3,561,870</u>	<u>\$549,043</u>	<u>\$5,674,406</u>
Reserve for Encumbrances, December 31	<u>\$1,415,552</u>	<u>\$0</u>	<u>\$1,804,343</u>	<u>\$0</u>	<u>\$3,219,895</u>

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 Clark County Public Library, Clark County, (the Library) as a body corporate and politic. The Clark County Commissioners and the Clark County Court of Common Pleas appoint 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 deposit at cost. Star Ohio is 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. Special Revenue Fund

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Hinkle Endowment – This fund accounts for money received as a distributions from an estate with no restrictions.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

This fund accounts for receipts restricted to acquiring or constructing major capital projects. A building and repair fund has been established. The Enon Branch construction/renovation project was completed by August 2009 and all final payments to contractors and architect were made. Monthly lease payments apply to purchase cost of building.

4. 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 funds:

Davis Endowment – This fund accounts for money received as a distribution from an estate in which only the income is to be used by the Library for general uses and purposes.

Bennett Endowment – This fund accounts for money received as a distribution from an estate in which only the income is to be used by the Library for the benefit of the Houston Branch.

Trump Endowment – This fund accounts for money received in memory of an individual. Income earned from this fund is to be used to supplement the Library's collection of books and other materials that pertain to theater and related topics.

Leventhal Endowment – This fund accounts for money received in honor of an individual. Income earned from this fund is to be used to purchase novels.

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 2009 and 2008 budgetary activity appears in Note 3.

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.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. 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:

	2009	2008
Demand deposits	\$ 672,307	\$ 693,416
Certificates of deposit	1,000,000	11,596
Total deposits	<u>1,672,307</u>	<u>705,012</u>
Petty Cash	406	406
STAR Ohio	<u>2,359,604</u>	<u>4,968,988</u>
Total deposits and investments	<u><u>\$4,032,317</u></u>	<u><u>\$5,674,406</u></u>

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,343,330	\$4,343,526	\$196
Special Revenue	202	202	
Permanent	1,518	1,586	68
Total	<u><u>\$4,345,050</u></u>	<u><u>\$4,345,314</u></u>	<u><u>\$264</u></u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,897,193	\$4,673,044	\$1,224,149
Special Revenue	9,832	9,832	
Capital Projects	3,561,870	1,376,587	2,185,283
Permanent	550,563	14,104	536,459
Total	<u><u>\$10,019,458</u></u>	<u><u>\$6,073,567</u></u>	<u><u>\$3,945,891</u></u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,229,800	\$5,229,973	\$173
Special Revenue	463	463	
Permanent	14,506	14,905	399
Total	<u><u>\$5,244,769</u></u>	<u><u>\$5,245,341</u></u>	<u><u>\$572</u></u>

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,746,522	\$ 7,608,384	\$ 138,138
Special Revenue	9,630		9,630
Capital Projects	4,272,981	2,515,454	1,757,527
Permanent	575,339	26,694	548,645
Total	\$12,604,472	\$10,150,532	\$2,453,940

4. GRANTS-IN-AID

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.

5. RETIREMENT SYSTEMS

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 2009 and 2008, OPERS members contributed 10%, of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2009.

6. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health insurance to full-time employees through a private carrier.

7. LITERACY COALITION

The Library has an agreement with the Clark County Literacy Coalition to provide the facility located at 137 East High Street, Springfield, Ohio, for the Coalition to use for meetings, tutoring and administrative services. The agreement also stipulates that the Library will provide human resource support which includes processing payroll for the Coalition. The Library Board approved a revision to the agreement (Resolution #18-2-09, dated September 9, 2009), ceasing this support as of October 31, 2009. The Library also agreed to provide general liability insurance coverage, arrange and pay for all utilities, and provide maintenance of the facility.



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*

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Library Board of Trustees:

We have audited the financial statements of the Clark County Public Library, Clark County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 2, 2010, 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 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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 matter not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 2, 2010.

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

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

June 2, 2010



Mary Taylor, CPA
Auditor of State

CLARK COUNTY PUBLIC LIBRARY

CLARK 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 1, 2010**