



**TWINSBURG PUBLIC LIBRARY
SUMMIT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA
Auditor of State

**TWINSBURG PUBLIC LIBRARY
SUMMIT COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Twinsburg Public Library
Summit County
10050 Ravenna Road
Twinsburg, Ohio 44087

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and each major fund of Twinsburg Public Library, Summit County, Ohio (the Library), as of and for the years ended December 31, 2009 and 2008, 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. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of Twinsburg Public Library, Summit County, Ohio, as of December 31, 2009 and 2008 and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 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.

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

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

Mary Taylor, CPA
Auditor of State

October 5, 2010

Twinsburg Public Library

Management's Discussion and Analysis For the Years Ended December 31, 2009 and 2008 Unaudited

This discussion and analysis of the Twinsburg Public Library's (Library) financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2009 and 2008, within the limitations of the Library'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 financial highlights for 2009 are as follows:

- Net assets of Library activities increased \$475,618, or 93%.
- As of December 31, 2009, the fund balance in the Library's General Fund was \$519,190, an increase of 36% from the previous year.
- Due to the reduction of the Public Library Fund (PLF) it was necessary to eliminate the position of Deputy Director. The planned renovation of the Circulation Department was also put on hold.
- At the end of the fiscal year, the Library was able to transfer \$300,000 in the Debt Service Fund and \$39,000 in the Building and Repair Fund for future capital projects and maintenance of the current facilities. This was possible due to approximately \$200,000 additional money received in property tax. Also the transfer of \$121,000 to the Debt Service Fund and \$40,000 to the Building and Repair Fund were made in February 2009 that would have normally been made in 2008.

Key financial highlights for 2008 are as follows:

- Net assets of Library activities decreased \$181,209, or 26%.
- As of December 31, 2008, the fund balance in the Library's General Fund was \$380,710, a decrease of \$49,697 or 12% from the previous year.
- On May 31 Director Karen Tschudy retired. Laura Leonard was appointed Director effective June 1, 2008.
- On August 5, 2008 the residents of the Twinsburg City School District approved a 1 mill continuing levy for the Twinsburg Public Library.
- Architects were hired to review the space in the Circulation Department and provide recommendations for a renovation of the area.
- At the end of the fiscal year, the Library deferred transferring funds for the Debt Service Fund and the Building and Repair Fund due to cash flow concerns.

Using the Basic Financial Statements

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

Report Components

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Library as a whole.

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

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.

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
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, revenues and expenses 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 2009 and 2008, 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 activity. Program receipts include customer fines and fees 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 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, 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 Library's property tax base, the condition of the Library's capital assets and infrastructure, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property tax and PLF.

In the Statement of Net Assets and the Statement of Activities, the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and library materials and information. These services are primarily funded by property taxes and the PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Funds

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

Governmental Funds - 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 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, Debt Service Fund and the Building and Repair Fund.

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

The Library as a Whole

The Statement of Net Assets provides the perspective of the Library as a whole. Table 1 provides a summary of the Library's net assets for 2009, compared to 2008 and 2007 on a cash basis.

Table 1
Net Assets

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$ 988,214	\$ 512,596	\$ 693,805
Net Assets			
Restricted for:			
Debt Service	\$ 302,737	\$ 6,655	\$ 129,851
Capital Projects	166,287	125,230	133,548
Unrestricted	519,190	380,711	430,406
Total Net Assets	\$ 988,214	\$ 512,596	\$ 693,805

A portion of the Library's net assets, 47.46% and 25.73% represents resources that are subject to restrictions on how they may be used. The unrestricted net asset amount is available to meet the ongoing obligations to citizens and creditors.

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 2 shows the changes in net assets for the fiscal years ended December 31, 2009, December 31, 2008 and December 31, 2007.

Table 2
Change in Net Assets

	2009	Governmental Activities 2008	2007
Receipts			
Program Receipts:			
Charges for Services and Sales	\$61,745	\$57,466	\$65,550
Operating Grants and Contributions	24,092	17,775	15,038
Capital Grants and Contributions	7,770		3,839
Total Program Receipts	<u>93,607</u>	<u>75,241</u>	<u>84,427</u>
General Receipts:			
Property and Other Local Taxes	1,598,498	682,013	715,249
Intergovernmental	1,451,532	1,580,053	1,537,267
Contributions, Gifts and Donations Not Restricted	931	511	740
Earnings on Investments	4,081	16,338	50,458
Miscellaneous	6,072	3,940	2,542
<i>Total General Receipts</i>	<u>3,061,114</u>	<u>2,282,855</u>	<u>2,306,256</u>
<i>Total Receipts</i>	<u>3,154,721</u>	<u>2,358,096</u>	<u>2,390,683</u>
Disbursements			
Current:			
Library Services:			
Public Service and Programs	1,114,962	1,049,359	1,013,698
Collection Development and Processing	657,358	679,488	641,921
Support Services:			
Facilities Operation and Maintenance	272,733	255,189	281,144
Business Administration	423,573	384,022	325,773
Capital Outlay	84,723	45,026	265,081
Debt Service:			
Redemption of Principal	106,000	102,000	97,000
Interest	19,754	24,221	27,755
Financing Fees and Costs			715
<i>Total Disbursements</i>	<u>2,679,103</u>	<u>2,539,305</u>	<u>2,653,087</u>
Increase/Decrease in Net Assets	475,618	(181,209)	(262,404)
Net Assets, January 1	512,596	693,805	956,209
Net Assets, December 31	<u>\$988,214</u>	<u>\$512,596</u>	<u>\$693,805</u>

For 2009, 2008 and 2007 program receipts represent only 3%, 3% and 4%, respectively, of total cash receipts and are primarily comprised of customer fines and fees, and restricted contributions and donations.

For 2009, general cash receipts represent 97% of the Library's total cash receipts, and of this amount, 51% are local taxes. For 2008, general cash receipts represent 97% of the Library's total cash receipts, and of this amount, 29% are local taxes.

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

In 2009 and 2008 Intergovernmental Receipts make up another 46% and 67%, respectively, of the Library's total cash receipts. Other cash receipts are immaterial and unpredictable revenue sources.

Disbursements for public service programs, collection development and processing, facilities operation and maintenance, and business administration represent the costs of running the Library.

Governmental Activities

If you look at the Statements of Activities on pages 12 and 17, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services for 2009 and 2008, the major program disbursements for governmental activities are Public Service and Programs, Collection Development and Processing, Facilities Operation and Maintenance, Business Administration, Capital Outlay and Debt Service which account for 42%, 25%, 10%, 15%, 3% and 5% of all Library expenses respectively for 2009 and; 41%, 27%, 10%, 15%, 2% and 5% of all Library expenses respectively for 2008. The next three or two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by the state of Ohio and local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

A comparison between the total cost of services and the net cost is presented in Table 3.

Table 3
Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009
Library Services		
Public Service and Programs	\$1,114,962	(\$1,021,355)
Collection Development and Processing	657,358	(657,358)
Support Services		
Facilities Operation and Maintenance	272,733	(272,733)
Business Administration	423,573	(423,573)
Capital Outlay	84,723	(84,723)
Principal Retirement	106,000	(106,000)
Interest and Fiscal Charges	19,754	(19,754)
Total Expenses	<u>\$2,679,103</u>	<u>(\$2,585,496)</u>

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

Table 3 (continued)
Governmental Activities

	Total Cost of Services 2008	Net Cost of Services 2008
	<u>2008</u>	<u>2008</u>
Library Services		
Public Service and Programs	\$1,049,359	(\$974,118)
Collection Development and Processing	679,488	(679,488)
Support Services		
Facilities Operation and Maintenance	255,189	(255,189)
Business Administration	384,022	(384,022)
Capital Outlay	45,026	(45,026)
Principal Retirement	102,000	(102,000)
Interest and Fiscal Charges	24,221	(24,221)
Total Expenses	<u>\$2,539,305</u>	<u>(\$2,464,064)</u>

The Library's Funds

In 2005 General Fund 110 was set up to account for monies donated to the Library by the Friends of the Twinsburg Public Library. Fund 110 is called the Friends Fund. These funds are accounted for with General Fund 101.

For 2009, governmental funds had total cash receipts of \$3,154,721 and total cash disbursements of \$2,679,103. The fund balance of the General Fund increased \$138,479 due to increased levy revenue. The largest portion of General Fund expenditures are for salaries and fringe benefits. The Library is a service entity and as such is labor intensive.

For 2008, governmental funds had total cash receipts of \$2,358,096 and total cash disbursements of \$2,539,305. The fund balance of the General Fund decreased \$49,697 due to increased disbursements. The largest portion of General Fund expenditures are for salaries and fringe benefits as the Library is a service entity and as such is labor intensive.

The Debt Service Fund accounts for monies set aside primarily for the payment of the Ohio Association of School Business Officials (OASBO) note that was secured to fund the 2003 renovation and addition to the Library.

The Building & Repair Fund accounts for resources that are set aside for construction, improvement and repair of capital facilities.

Twinsburg Public Library

Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

General Fund Budgeting Highlights

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

During 2009 and 2008, the Library amended its General Fund budget several times to reflect changing circumstances. Cash disbursements in 2009 were originally budgeted at \$3,017,343 while actual cash disbursements were \$2,570,741. In 2008 cash disbursements were originally budgeted at \$2,680,489 while actual cash disbursements were \$2,435,261.

Debt Administration

At December 31, 2009 and December 31, 2008, the Library's outstanding debt included \$345,000 and \$451,000, respectively, in general obligation notes obtained for the renovation and addition to the current building. For further information regarding the Library's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Library relies heavily on local taxes and PLF funding.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Eileen M. Holloway, Clerk-Treasurer, Twinsburg Public Library, 10050 Ravenna Road, Twinsburg, Ohio 44087.

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Twinsburg Public Library
Summit County
Statement of Net Assets - Cash Basis
December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$988,214</u>
Net Assets	
Restricted for:	
Capital Projects	\$166,287
Debt Service	302,737
Unrestricted	<u>519,190</u>
<i>Total Net Assets</i>	<u>\$988,214</u>

See accompanying notes to the basic financial statements

Twinsburg Public Library
Summit County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Library Services:					
Public Service and Programs	\$ 1,114,962	\$ 61,745	\$ 24,092	\$ 7,770	\$ (1,021,355)
Collection Development and Processing	657,358				(657,358)
Support Services:					
Facilities Operation and Maintenance	272,733				(272,733)
Business Administration	423,573				(423,573)
Capital Outlay	84,723				(84,723)
Debt Service:					
Principal Retirement	106,000				(106,000)
Interest and Fiscal Charges	19,754				(19,754)
<i>Total Governmental Activities</i>	<u>\$2,679,103</u>	<u>\$61,745</u>	<u>\$24,092</u>	<u>\$7,770</u>	<u>(2,585,496)</u>
General Receipts					
Property Taxes Levied for General Purposes					1,598,498
Unrestricted Gifts and Contributions					931
Grants and Entitlements not Restricted to Specific Programs					1,451,532
Interest					4,081
Miscellaneous					6,072
<i>Total General Receipts</i>					<u>3,061,114</u>
Changes in Net Assets					475,618
<i>Net Assets Beginning of Year</i>					<u>512,596</u>
<i>Net Assets End of Year</i>					<u><u>\$988,214</u></u>

See accompanying notes to the basic financial statements

Twinsburg Public Library
Summit County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General Fund	Debt Service Fund	Building & Repair Fund	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$519,190	\$302,737	\$166,287	\$988,214
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$56,120		\$1,500	\$57,620
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	463,070			463,070
Debt Service Fund		302,737		302,737
Capital Projects Funds			164,787	164,787
<i>Total Fund Balances</i>	<u>\$519,190</u>	<u>\$302,737</u>	<u>\$166,287</u>	<u>\$988,214</u>

See accompanying notes to the basic financial statements

Twinsburg Public Library
Summit County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Debt Service Fund	Building & Repair Fund	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$1,598,498			\$1,598,498
Intergovernmental	1,459,302			1,459,302
Patron Fines and Fees	61,745			61,745
Contributions, Gifts and Donations	25,023			25,023
Earnings on Investments	2,505	\$836	\$740	4,081
Miscellaneous	6,027		45	6,072
<i>Total Receipts</i>	<u>3,153,100</u>	<u>836</u>	<u>785</u>	<u>3,154,721</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	1,114,962			1,114,962
Collection Development and Processing	657,358			657,358
Support Services:				
Facilities Operation and Maintenance	272,733			272,733
Business Administration	423,573			423,573
Capital Outlay	45,995		38,728	84,723
Debt Service:				
Principal Retirement		106,000		106,000
Interest and Fiscal Charges		19,754		19,754
<i>Total Disbursements</i>	<u>2,514,621</u>	<u>125,754</u>	<u>38,728</u>	<u>2,679,103</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>638,479</u>	<u>(124,918)</u>	<u>(37,943)</u>	<u>475,618</u>
Other Financing Sources (Uses)				
Transfers In		421,000	79,000	500,000
Transfers Out	(500,000)			(500,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>421,000</u>	<u>79,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	138,479	296,082	41,057	475,618
<i>Fund Balances Beginning of Year</i>	<u>380,711</u>	<u>6,655</u>	<u>125,230</u>	<u>512,596</u>
<i>Fund Balances End of Year</i>	<u>\$519,190</u>	<u>\$302,737</u>	<u>\$166,287</u>	<u>\$988,214</u>

See accompanying notes to the basic financial statements

Twinsburg Public Library
Summit County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 1,522,058	\$ 1,598,498	\$ 1,598,498	\$ -
Intergovernmental	1,458,000	1,457,475	1,459,302	1,827
Patron Fines and Fees	45,000	57,647	61,745	4,098
Contributions, Gifts and Donations	16,995	24,923	25,023	100
Earnings on Investments	10,000	2,225	2,505	280
Miscellaneous	-	5,411	6,027	616
<i>Total receipts</i>	<u>3,052,053</u>	<u>3,146,179</u>	<u>3,153,100</u>	<u>6,921</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	1,261,239	1,177,885	1,123,113	54,772
Collection Development and Processing	838,614	782,992	690,123	92,869
Support Services:				
Facilities Operation and Maintenance	334,714	314,392	284,538	29,854
Business Administration	487,479	533,510	421,902	111,608
Capital Outlay	95,297	78,834	51,065	27,769
<i>Total Disbursements</i>	<u>3,017,343</u>	<u>2,887,613</u>	<u>2,570,741</u>	<u>316,872</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>34,710</u>	<u>258,566</u>	<u>582,359</u>	<u>323,793</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(312,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(277,290)</u>	<u>(241,434)</u>	<u>82,359</u>	<u>323,793</u>
<i>Fund Balance Beginning of Year</i>	347,123	347,123	347,123	-
Prior Year Encumbrances Appropriated	<u>33,588</u>	<u>33,588</u>	<u>33,588</u>	<u>33,588</u>
<i>Fund Balance End of Year</i>	<u>\$ 103,421</u>	<u>\$ 139,277</u>	<u>\$ 463,070</u>	<u>\$ 357,381</u>

See accompanying notes to the basic financial statements

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$512,596
 Net Assets	
Restricted for:	
Capital Projects	\$125,230
Debt Service	6,655
Unrestricted	380,711
<i>Total Net Assets</i>	\$512,596

See accompanying notes to the basic financial statements

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

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Library Services:				
Public Service and Programs	\$ 1,049,359	\$ 57,466	\$ 17,775	\$ (974,118)
Collection Development and Processing	679,488			(679,488)
Support Services:				
Facilities Operation and Maintenance	255,189			(255,189)
Business Administration	384,022			(384,022)
Capital Outlay	45,026			(45,026)
Debt Service:				
Principal Retirement	102,000			(102,000)
Interest and Fiscal Charges	24,221			(24,221)
<i>Total Governmental Activities</i>	<u>\$2,539,305</u>	<u>\$57,466</u>	<u>\$17,775</u>	<u>(2,464,064)</u>
		General Receipts		
				682,013
				511
				1,580,053
				16,338
				3,940
				<u>2,282,855</u>
				(181,209)
				<u>693,805</u>
				<u>\$512,596</u>

See accompanying notes to the basic financial statements

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

	General Fund	Debt Service Fund	Building & Repair Fund	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$380,711	\$6,655	\$125,230	\$512,596
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$33,588		\$11,813	\$45,401
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	347,123			347,123
Debt Service Fund		6,655		6,655
Capital Projects Funds			113,417	113,417
<i>Total Fund Balances</i>	<u>\$380,711</u>	<u>\$6,655</u>	<u>\$125,230</u>	<u>\$512,596</u>

See accompanying notes to the basic financial statements

Twinsburg Public Library
Summit County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Debt Service Fund	Building & Repair Fund	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$682,013			\$682,013
Intergovernmental	1,580,053			1,580,053
Patron Fines and Fees	57,466			57,466
Contributions, Gifts and Donations	18,285			18,285
Earnings on Investments	10,221	\$3,026	\$3,092	16,339
Miscellaneous	3,940			3,940
<i>Total Receipts</i>	<u>2,351,978</u>	<u>3,026</u>	<u>3,092</u>	<u>2,358,096</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	1,049,359			1,049,359
Collection Development and Processing	679,488			679,488
Support Services:				
Facilities Operation and Maintenance	255,189			255,189
Business Administration	384,022			384,022
Capital Outlay	33,616		11,410	45,026
Debt Service:				
Principal Retirement		102,000		102,000
Interest and Fiscal Charges		24,221		24,221
<i>Total Disbursements</i>	<u>2,401,674</u>	<u>126,221</u>	<u>11,410</u>	<u>2,539,305</u>
<i>Net Change in Fund Balances</i>	(49,696)	(123,195)	(8,318)	(181,209)
<i>Fund Balances Beginning of Year</i>	<u>430,407</u>	<u>129,850</u>	<u>133,548</u>	<u>693,805</u>
<i>Fund Balances End of Year</i>	<u>\$380,711</u>	<u>\$6,655</u>	<u>\$125,230</u>	<u>\$512,596</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 734,764	\$ 734,764	\$ 682,013	\$ (52,751)
Intergovernmental	1,547,523	1,518,780	1,580,053	61,273
Patron Fines and Fees	66,000	66,000	57,466	(8,534)
Contributions, Gifts and Donations	17,795	17,795	18,285	490
Earnings on Investments	10,000	10,000	10,220	220
Miscellaneous	-	-	3,940	3,940
<i>Total receipts</i>	<u>2,376,082</u>	<u>2,347,339</u>	<u>2,351,977</u>	<u>4,638</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	1,119,859	1,123,226	1,051,392	71,834
Collection Development and Processing	785,803	784,964	698,248	86,716
Support Services:				
Facilities Operation and Maintenance	265,715	269,592	261,239	8,353
Business Administration	461,886	426,538	387,952	38,586
Capital Outlay	47,226	47,426	36,430	10,996
<i>Total Disbursements</i>	<u>2,680,489</u>	<u>2,651,746</u>	<u>2,435,261</u>	<u>216,485</u>
<i>Excess of Receipts Over (Under)</i> <i>Disbursements</i>	<u>(304,407)</u>	<u>(304,407)</u>	<u>(83,284)</u>	<u>221,123</u>
Other Financing Sources (Uses)				
Transfers Out	(126,000)	(126,000)	-	126,000
<i>Net Change in Fund Balance</i>	<u>(430,407)</u>	<u>(430,407)</u>	<u>(83,284)</u>	<u>347,123</u>
<i>Fund Balance Beginning of Year</i>	<u>430,407</u>	<u>430,407</u>	<u>430,407</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,123</u>	<u>\$ 347,123</u>

See accompanying notes to the basic financial statements

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008*

Note 1 – Description of the Library and Reporting Entity

The Samuel Bissell Memorial Library was established in 1910 and was organized as a school district public library in 1927 under the laws of the State of Ohio. The Library name changed to the Twinsburg Public Library in 1931. The Library has its own Board of Trustees of seven members who are appointed by the Twinsburg City Schools 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 Fiscal Officer.

The Library is fiscally independent of the Twinsburg City Schools 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 Twinsburg City 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 Twinsburg Public Library Foundation, Inc. (the Foundation) is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Foundation is organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to operate exclusively for the benefit of the Twinsburg Public Library and to further the Library's charitable purposes. A Board of Trustees consisting of eleven (11) interested persons residing in the State of Ohio manages the Foundation's affairs. No Library Trustees or employees serve on the Foundation's Board.

Separately maintained statements for the Foundation are available from:

Treasurer, Twinsburg Public Library Foundation
% Twinsburg Public Library
10050 Ravenna Road
Twinsburg, Ohio 44087

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 1 – Description of the Library and Reporting Entity (continued)

Friends of the Twinsburg Public Library (the Friends) are a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Friends is organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to operate exclusively for the benefit of the Twinsburg Public Library and to further the Library's charitable purposes. A Board of Trustees consisting of ten (10) interested persons residing in the State of Ohio manages the Friends' affairs. No Library Trustees or employees serve on the Friends' Board.

Separately maintained statements for the Friends are available from:
Treasurer, Friends of the Twinsburg Public Library
10050 Ravenna Road
Twinsburg, Ohio 44087

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

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Library as a whole at December 31, 2009 and 2008. These statements include the financial activities of the Library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

The Statement of Activities compares disbursements with program receipts for each of the Library's governmental 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 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.

Debt Service Fund – The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Debt Service Fund was used primarily for the payment of the principal and interest on the OASBO note.

Building and Repair Fund - This fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technological improvements, additions, and renovations of the Library.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. 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 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 disbursements (such as accounts payable and disbursements 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 and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. 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 identify the purchase of specific investments by specific funds.

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

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

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 2009 and 2008, investments were limited to STAR Ohio.

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 Rule2a7 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, 2009 and December 31, 2008.

Investment procedures are restricted by the provisions of the Ohio Revised Code.

Interest is receipted to the fund where earned. Interest credited to Library funds during 2009 and 2008 was:

	<u>2009</u>	<u>2008</u>
General Fund	\$2,505	\$10,221
Debt Service Fund	836	3,026
Building and Repair Fund	<u>740</u>	<u>3,092</u>
Total Interest	<u>\$4,081</u>	<u>\$16,339</u>

F. Inventory and Prepaid Items

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

G. Capital Assets

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

H. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds (and after nonoperating receipts/disbursements in proprietary funds). Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the 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 cash basis of accounting.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing sources nor capital outlay expenditures are reported at inception. Lease payments are reported when paid.

L. 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. The Library applies restricted resources first when an expense is incurred for purposes for which restricted net assets are available for major capital and technology improvements and payment of principal and interest on the OASBO note.

M. 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. Fund balance reserves have been established for encumbrances.

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 cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$56,120 in 2009 and \$33,588 for 2008 for the general fund.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 4 – Deposits and Investments

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

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

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

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

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

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

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 4 – Deposits and Investments (continued)

At year end in 2009 and 2008 the Library had \$425 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end of 2009, \$436,794 of the Library’s bank balance of \$867,295 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Library’s name. At year end of 2008 none of the Library’s bank balance of \$269,507 was exposed.

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

Investments

The Library had the following investments:

	<u>Star Ohio</u>
2009	\$275,746
2008	356,246

Note 5 - Property Taxes

The Twinsburg Public Library has two operating levies. The first levy for 1 mill was approved in November 6, 2001 and the second 1 mill levy was approved on August 5, 2008.

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Twinsburg City School District. Property tax receipts received in 2009 for real and public utility property taxes represents collections of the 2008 taxes and property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes.

Real property taxes received in each year were levied after October 2, of the prior year, on the assessed values as of January 1, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes in each year are collected in and intended to finance the following year.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in each year represents the collection of the prior year taxes. Public utility real and tangible personal property taxes received each year became a lien on December 31, of the prior year, were levied after October 1, of the prior year and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 5 - Property Taxes (continued)

Tangible personal property tax receipts received in each year (other than public utility property) represent the collection of prior year taxes. Tangible personal property taxes received in each year were levied after October 1, of the prior year, on the true value as of December 31, of the prior year. Collections are made in each year. Tangible personal property assessments are being phased out-the assessment for all property including inventory for 2008 is 6.25% and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Library operations for the years ended December 31, 2009 and 2008 were \$2.00 per \$1,000 of assessed value.

The assessed values of real and personal property upon which property tax receipts were based are as follows:

	<u>Tax Year 2008 Collection 2009</u>	<u>Tax Year 2007 Collection 2008</u>
Real Property	\$ 563,052,020	\$ 563,052,020
Other Real Value	222,907,740	222,907,740
Public Utility Property	11,402,105	11,498,300
Total Real and PU Value	797,361,865	797,458,060
Personal Tangible Value		46,565,793
Remaining TPP Telephone Value	<u>1,741,116</u>	<u> </u>
Total Value	<u>\$ 799,102,981</u>	<u>\$ 844,023,853</u>

The County collects property taxes on behalf of all taxing districts in the county, including the Library. The County periodically remits to the Library its portion of the taxes collected.

Note 6 – Intergovernmental Revenue

Intergovernmental revenue includes monies received from the state. In 2009 and 2008 intergovernmental revenue was \$1,459,302 and \$1,580,053 respectively. This money is derived from the PLF and State of Ohio tax relief programs. The State programs include the 10% reduction in all real property that is not used in a business activity, the Homestead Exemption and reimbursement for property tax losses due to the phasing out of the Tangible Personal Property tax.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 7 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2009 and 2008, the Library contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage	
		2009	2008
Gus A. Hoyas and Associates Nationwide Insurance Co.	General Liability Includes Commercial Crime Inland Marine Vehicle	\$ 2,000,000	\$ 2,000,000
Western Surety Company	Surety Bonds for FO & Deputy FO	100,000	100,000
France and Associates	Errors and Omissions	1,000,000/ 3,000,000	1,000,000/ 3,000,000

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

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

Note 8 - Defined Benefit Pension Plan

Plan Description - The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% 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, 2009 and the year ended December 31, 2008, the members of all three plans were required to contribute 10% of annual covered salaries. The Library's contribution rate for pension benefits for 2009 and 2008 was 14%. The Ohio Revised code provides statutory authority for member and employer contributions.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 8 - Defined Benefit Pension Plan (continued)

The Library's required contributions for pension obligations for the years ended December 31, 2009, 2008 and 2007 were \$170,257, \$169,029 and \$156,419 respectively. The full amount has been contributed for both years.

Note 9 - Postemployment Benefits

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14% of covered payroll. Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of the employer contributions which was allocated to fund post employment healthcare was 7.0% of covered payroll from January 1 through March 31, 2009, and 5.5% from April 1 through December 31, 2009. The amount of the employer contributions which was allocated to fund post employment healthcare was 7.0% of covered payroll from January 1 through December 31, 2008.

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

The Library's contributions to OPERS allocated to fund post employment healthcare benefits for the years ended December 31, 2009, 2008 and 2007 were \$71,448, \$84,514 and \$62,194 respectively. 100% is allocated and scheduled to be paid.

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.

**Twinsburg Public Library
Summit County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2009 and December 31, 2008
(Continued)*

Note 10 - Notes Payable

In order to provide financing for an expansion and renovation of the existing Library the Board of Trustees secured a note from the Ohio Association of School Business Officials (OASBO) Expanded Asset Pooled Financing Program for \$1,000,000 in December 2002. Pursuant to Section 3375.40 of the Ohio Revised Code the notes were issued based on anticipation of the Library and Local Government Service Fund monies.

Principal and interest requirements to retire the general obligation note outstanding at December 31, 2009 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$110,000	\$14,732	\$124,732
2011	115,000	10,035	125,035
2012	120,000	5,124	125,124
Total	\$345,000	\$29,891	\$374,891

Note 11 – Leases

The Library leases buildings, vehicles and other equipment under noncancelable leases. The Library disbursed \$2,805 to pay lease costs for the year ended December 31, 2009 and \$2,567 to pay lease costs for the year ended December 31, 2008. Future lease payments (including interest) are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$7,123
2011	6,030
2012	5,765
2013	5,394
2014	5,394
Total	<u>\$29,706</u>

Note 12 – Interfund Transactions

In 2009, \$79,000 was transferred from the general fund to the building and repair capital projects fund for the purchase and maintenance of various items throughout the Library and to set aside funds for future major repairs such as roof and HVAC and also the renovation of the Circulation Department. Also in 2009 \$421,000 was transferred from the general fund to the debt service fund to cover the payments of the OASBO note and other debt as necessary. No transfers were made between funds in 2008.



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

Twinsburg Public Library
Summit County
10050 Ravenna Road
Twinsburg, Ohio 44087

To the Board of Trustees:

We have audited the financial statements of the governmental activities and each major fund of the Twinsburg Public Library, Summit County, (the Library) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the Library's basic financial statements and have issued our report thereon dated October 5, 2010, wherein we noted the Library uses a comprehensive accounting basis other than generally accepted accounting principles. 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 opinions 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 October 5, 2010.

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

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

Mary Taylor, CPA
Auditor of State

October 5, 2010



Mary Taylor, CPA
Auditor of State

TWINSBURG PUBLIC LIBRARY

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 4, 2010**