



Mary Taylor, CPA
Auditor of State

WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY

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Mary Taylor, CPA
Auditor of State

Warren-Trumbull County Public Library
Trumbull County
444 Mahoning Ave. NW
Warren, Ohio 44483

To the Board of Trustees:

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

Mary Taylor

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Auditor of State

June 18, 2010

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Warren-Trumbull County Public Library
Trumbull County
444 Mahoning Ave. NW
Warren, Ohio 44483

To the Board of Trustees:

We have audited the accompanying financial statements of the Warren-Trumbull County Public Library, Trumbull 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 the Warren-Trumbull County Public Library, Trumbull 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 18, 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 18, 2010

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY**

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

	<u>All Governmental Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:						
Property and Other Local Taxes	\$1,722,751		\$179,404			\$1,902,155
Library and Local Government Support	3,507,622					3,507,622
Intergovernmental & Grants	427,172	\$4,500				431,672
Patron Fines and Fees	129,692	13,573				143,265
Services Provided to Other Entities	280					280
Contributions, Gifts and Donations	14,106	32,261				46,367
Earnings on Investments	27,734			\$3,501	\$1,560	32,795
Miscellaneous	41,430					41,430
Total Cash Receipts	<u>5,870,787</u>	<u>50,334</u>	<u>179,404</u>	<u>3,501</u>	<u>1,560</u>	<u>6,105,586</u>
Cash Disbursements:						
Current:						
Salaries	2,928,905					2,928,905
Employee Fringe Benefits	1,136,733	2,500				1,139,233
Purchased and Contractual Services	518,181	14,174				532,355
Library Materials and Information	666,588	9,214			30	675,832
Supplies	111,766	7,595				119,361
Other	15,185	1,109				16,294
Capital Outlay	151,167	7,320		20,292	8,943	187,722
Debt Service:						
Redemption of Principal			176,339			176,339
Interest and Other Fiscal Charges			2,774			2,774
Total Cash Disbursements	<u>5,528,525</u>	<u>41,912</u>	<u>179,113</u>	<u>20,292</u>	<u>8,973</u>	<u>5,778,815</u>
Total Receipts Over/(Under) Disbursements	<u>342,262</u>	<u>8,422</u>	<u>291</u>	<u>(16,791)</u>	<u>(7,413)</u>	<u>326,771</u>
Other Financing Receipts / (Disbursements):						
Transfers-In	54,000	20,000		600,981		674,981
Transfers-Out	(620,981)	(54,000)				(674,981)
Total Other Financing Receipts / (Disbursements)	<u>(566,981)</u>	<u>(34,000)</u>		<u>600,981</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(224,719)</u>	<u>(25,578)</u>	<u>291</u>	<u>584,190</u>	<u>(7,413)</u>	<u>326,771</u>
Fund Cash Balances, January 1	<u>2,403,759</u>	<u>128,344</u>		<u>399,019</u>	<u>16,888</u>	<u>2,948,010</u>
Fund Cash Balances, December 31	<u>\$2,179,040</u>	<u>\$102,766</u>	<u>\$291</u>	<u>\$983,209</u>	<u>\$9,475</u>	<u>\$3,274,781</u>
Reserve for Encumbrances, December 31	<u>\$65,979</u>	<u>\$409</u>			<u>\$43</u>	<u>\$66,431</u>

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

WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY

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

	All Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes	\$1,743,311		\$258,200			\$2,001,511
Library and Local Government Support	4,267,276					4,267,276
Intergovernmental & Grants	391,080	\$500				391,580
Patron Fines and Fees	126,239	13,924				140,163
Services Provided to Other Entities	560					560
Contributions, Gifts and Donations	3,700	41,768				45,468
Earnings on Investments	54,545			\$9,019		63,564
Miscellaneous	26,070					26,070
Total Cash Receipts	6,612,781	56,192	258,200	9,019		6,936,192
Cash Disbursements:						
Current:						
Salaries	2,866,714					2,866,714
Employee Fringe Benefits	1,113,532	2,500				1,116,032
Purchased and Contractual Services	618,857	8,655				627,512
Library Materials and Information	848,612	6,710				855,322
Supplies	137,042	1,694				138,736
Other	36,188	1,893				38,081
Capital Outlay	462,637	8,349				470,986
Debt Service:						
Redemption of Principal			247,892			247,892
Interest and Other Fiscal Charges			10,308			10,308
Total Cash Disbursements	6,083,582	29,801	258,200			6,371,583
Total Receipts Over/(Under) Disbursements	529,199	26,391		9,019		564,609
Other Financing Receipts / (Disbursements):						
Transfers-In	436,239			750,000		1,186,239
Transfers-Out	(826,239)			(360,000)		(1,186,239)
Total Other Financing Receipts / (Disbursements)	(390,000)			390,000		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	139,199	26,391		399,019		564,609
Fund Cash Balances, January 1	2,264,560	101,953			16,888	2,383,401
Fund Cash Balances, December 31	\$2,403,759	\$128,344		\$399,019	\$16,888	\$2,948,010
Reserve for Encumbrances, December 31	\$119,056	\$1,835				\$120,891

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

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL 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 Warren-Trumbull County Public Library, Trumbull County, (the Library) as a body corporate and politic. The Library is directed by a seven-member Board of Trustees. Three of the Trustees are appointed by the Trumbull County Common Pleas Court Judge. The remaining four Trustees are appointed by the Trumbull County Board of Commissioners. 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 and common stock at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

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 Funds

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:

Collection Agency Fund – This fund accounts for monies collected from patrons overdue fines and fees received from a collection agency.

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Debt Service Fund

This fund accounts for resources the Library accumulates to pay bond and note debt. The Library has two debt service funds to account for debt payments on the construction of the Liberty Branch Library and the interest free loan from the Warren Library Association.

4. Capital Projects Fund

This fund was used to account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds).

Capital Improvement Fund – This fund utilizes transfers from the General Fund to make building repairs and improvements.

5. 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 Permanent Funds:

Kyser Fund – The earnings from this trust can be used for erecting new buildings, making additions to present buildings, and purchasing new equipment or books.

Wayland J. Dietz Endowment Fund – The earnings from this trust fund can be spent on any library activity or expense.

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.

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL 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 follows:

	2009	2008
Demand deposits	\$166,082	\$226,908
Public funds money market account	880,298	123,497
Certificates of deposit	1,196,650	774,827
Total deposits	2,243,030	1,125,232
Common Stock (at cost, fair value was \$12,684 and \$10,856 at December 31, 2009 and 2008 respectively)	30,416	30,416
STAR Ohio	1,001,335	1,792,362
Total investments	1,031,751	1,822,778
Total deposits and investments	\$3,274,781	\$2,948,010

At December 31, 2009 the Library held \$12,684 in equity securities. Such securities are not eligible investments for the Library under Ohio law. However these equity securities are allowable because they were donated to the Library.

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 existing in physical or book-entry form.

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	\$6,177,367	\$5,924,787	(\$252,580)
Special Revenue	70,258	70,334	76
Debt Service	179,404	179,404	0
Capital Projects	609,981	604,482	(5,499)
Permanent	1,560	1,560	0
Total	\$7,038,570	\$6,780,567	(\$258,003)

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY**

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

3. BUDGETARY ACTIVITY – (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,845,583	\$6,215,485	\$630,098
Special Revenue	170,280	96,321	73,959
Debt Service	179,404	179,113	291
Capital Projects	20,292	20,292	0
Permanent	9,035	9,016	19
Total	<u>\$7,224,594</u>	<u>\$6,520,227</u>	<u>\$704,367</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,094,573	\$7,049,020	(\$45,553)
Special Revenue	56,192	56,192	0
Debt Service	258,200	258,200	0
Capital Projects	759,019	759,019	0
Permanent	965	0	(965)
Total	<u>\$8,168,949</u>	<u>\$8,122,431</u>	<u>(\$46,518)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,153,508	\$7,028,877	\$1,124,631
Special Revenue	117,559	31,636	85,923
Debt Service	258,200	258,200	0
Capital Projects	360,000	360,000	0
Permanent	8,585	0	8,585
Total	<u>\$8,897,852</u>	<u>\$7,678,713</u>	<u>\$1,219,139</u>

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

**WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL COUNTY**

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

4. GRANTS-IN-AID AND TAX RECEIPTS – (Continued)

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 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.

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Mary Taylor, CPA

Auditor of State

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

Warren-Trumbull County Public Library
Trumbull County
444 Mahoning Avenue NW
Warren, Ohio 44483

To the Board of Trustees:

We have audited the financial statements of the Warren-Trumbull County Public Library, Trumbull County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 18, 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 certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 18, 2010.

We intend this report solely for the information and use of the audit committee, management, and Library 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 18, 2010



Mary Taylor, CPA
Auditor of State

WARREN-TRUMBULL COUNTY PUBLIC LIBRARY
TRUMBULL 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 22, 2010