



Dave Yost • Auditor of State

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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Dave Yost • Auditor of State

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

To the Library Board of Trustees:

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 24, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Clark County Public Library, Clark County, (the Library) as of and for the years ended December 31, 2011 and 2010. 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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Clark County Public Library, Clark County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Clark County Public Library adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2012, 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.



Dave Yost
Auditor of State

May 24, 2012

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	All Fund Types			Totals (Memorandum Only)
	General	Capital Projects	Permanent	
Cash Receipts:				
Property and Other Local Taxes	\$2,526,906			\$2,526,906
Intergovernmental	4,282,590			4,282,590
Patron Fines and Fees	99,036			99,036
Services Provided to Other Entities	10			10
Contributions, Gifts and Donations	51,716			51,716
Earnings on Investments	9,717		\$254	9,971
Miscellaneous	36,313			36,313
Total Cash Receipts	7,006,288		254	7,006,542
Cash Disbursements:				
Current:				
Salaries	2,019,779			2,019,779
Employee Fringe Benefits	877,328			877,328
Purchased and Contracted Services	702,967			702,967
Library Materials and Information	507,953			507,953
Supplies	43,602			43,602
Other	12,188			12,188
Capital Outlay	231,165	\$81,143		312,308
Total Cash Disbursements	4,394,982	81,143		4,476,125
Excess of Receipts Over (Under) Disbursements	2,611,306	(81,143)	254	2,530,417
Other Financing Receipts:				
Other Financing Sources	19,705			19,705
Total Other Financing Receipts	19,705			19,705
Net Change in Fund Cash Balances	2,631,011	(81,143)	254	2,550,122
Fund Cash Balances, January 1	1,578,467	2,133,550	535,337	4,247,354
Fund Cash Balances, December 31:				
Non-spendable			509,840	509,840
Committed		2,052,407		2,052,407
Assigned	198,037			198,037
Unassigned (Deficit)	4,011,441		25,751	4,037,192
Fund Cash Balances, December 31	\$4,209,478	\$2,052,407	\$535,591	\$6,797,476

See accompanying notes to the financial statements

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>All Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:				
Intergovernmental	\$3,733,837			\$3,733,837
Patron Fines and Fees	104,611			104,611
Services Provided to Other Entities	400			400
Contributions, Gifts and Donations	73,325			73,325
Earnings on Investments	21,928		\$777	22,705
Miscellaneous	70,033			70,033
Total Cash Receipts	<u>4,004,134</u>		<u>777</u>	<u>4,004,911</u>
Cash Disbursements:				
Current:				
Salaries	1,801,226			1,801,226
Employee Fringe Benefits	752,501			752,501
Purchased and Contracted Services	643,411			643,411
Library Materials and Information	272,422		2,878	275,300
Supplies	46,322			46,322
Other	14,338			14,338
Capital Outlay	178,779	\$97,420		276,199
Total Cash Disbursements	<u>3,708,999</u>	<u>97,420</u>	<u>2,878</u>	<u>3,809,297</u>
Excess of Receipts Over (Under) Disbursements	<u>295,135</u>	<u>(97,420)</u>	<u>(2,101)</u>	<u>195,614</u>
Other Financing Receipts:				
Other Financing Sources	19,423			19,423
Total Other Financing Receipts	<u>19,423</u>			<u>19,423</u>
Net Change in Fund Cash Balances	314,558	(97,420)	(2,101)	215,037
Fund Cash Balances, January 1	<u>1,263,909</u>	<u>2,230,970</u>	<u>537,438</u>	<u>4,032,317</u>
Fund Cash Balances, December 31	<u>\$1,578,467</u>	<u>\$2,133,550</u>	<u>\$535,337</u>	<u>\$4,247,354</u>
Reserve For Encumbrances, December 31	<u>\$56,541</u>	<u>\$8,500</u>		<u>\$65,041</u>

See accompanying notes to the financial statements

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Clark County Public Library, Clark County, (the Library) as a body corporate and politic. The Clark County Commissioners and the Clark County Court of Common Pleas appoint a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

The Library values certificates of deposit at cost. Star Ohio is recorded at share values the mutual funds report.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Capital Project Funds

This fund accounts for receipts restricted to acquiring or constructing major capital projects. A building and repair fund has been established. For our Enon Branch, monthly lease payments apply to purchase cost of building.

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Permanent Funds

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

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

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

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

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

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. These classifications were based on the implementation of *Government Accounting Standards Board* Statement Number 54 for the year ended December 31, 2011. The classifications are as follows:

1. Non-spendable

The Library classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	<u>2011</u>	<u>2010</u>
Demand deposits	\$893,304	\$648,962
Certificates of deposit	1,000,000	1,000,000
Total deposits	<u>1,893,304</u>	<u>1,648,962</u>
Petty Cash	406	406
STAR Ohio	4,903,766	2,597,986
Total deposits and investments	<u><u>\$6,797,476</u></u>	<u><u>\$4,247,354</u></u>

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,025,993	\$7,025,993	
Permanent	254	254	
Total	\$7,026,247	\$7,026,247	\$0

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 8,604,460	\$4,593,019	\$4,011,441
Capital Projects	2,133,551	81,143	2,052,408
Permanent	25,751		25,751
Total	\$10,763,762	\$4,674,162	\$6,089,600

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,023,557	\$4,023,557	
Permanent	777	777	
Total	\$4,024,334	\$4,024,334	\$0

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,287,465	\$3,765,540	\$1,521,925
Capital Projects	2,230,970	105,920	2,125,050
Permanent	27,461	2,878	24,583
Total	\$7,545,896	\$3,874,338	\$3,671,558

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. The County Budget Commission bases the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. The County Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(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.

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

5. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, 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, 2011.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- Electronic data processing.

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

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Dave Yost • Auditor of State

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

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

To the Library Board of Trustees:

We have audited the financial statements of Clark County Public Library, Clark County, (the Library) as of and for the year ended December 31, 2010 and 2011, and have issued our report thereon dated May 24, 2012, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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*.

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Clark County Public Library
Clark County
Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

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

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

Dave Yost
Auditor of State

May 24, 2012



Dave Yost • Auditor of State

CLARK COUNTY PUBLIC LIBRARY

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 26, 2012