



**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA
Auditor of State

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

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Mary Taylor, CPA
Auditor of State

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

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

Mary Taylor, CPA
Auditor of State

April 16, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

To the Board of Trustees:

We have audited the accompanying financial statements of Archbold Community Library, Fulton County, (the Library) as of and for the years ended December 31, 2008 and 2007. 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our 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, 2008 and 2007, 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, 2008 and 2007, 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 Archbold Community Library, Fulton County, as of December 31, 2008 and 2007, 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 April 16, 2009, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

April 16, 2009

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

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

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Other Local Taxes	\$82,365				\$82,365
Library and Local Government Support	270,828				270,828
Intergovernmental	29,025				29,025
Patron Fines and Fees	13,564				13,564
Contributions, Gifts and Donations	2,041			\$1,000	3,041
Earnings on Investments	1,461	\$9,552	\$7,751	703	19,467
Miscellaneous	5,851				5,851
Total Cash Receipts	405,135	9,552	7,751	1,703	424,141
Cash Disbursements:					
Current:					
Salaries	208,622				208,622
Employee Fringe Benefits	65,014				65,014
Purchased and Contractual Services	65,181	607			65,788
Library Materials and Information	50,001	1,400		691	52,092
Supplies	10,010				10,010
Other	914				914
Capital Outlay	500		2,000		2,500
Total Cash Disbursements	400,242	2,007	2,000	691	404,940
Total Receipts Over Disbursements	4,893	7,545	5,751	1,012	19,201
Fund Cash Balances, January 1	40,526	191,953	160,415	13,160	406,054
Fund Cash Balances, December 31	\$45,419	\$199,498	\$166,166	\$14,172	\$425,255
Reserve for Encumbrances, December 31	\$1,782				\$1,782

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

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
Cash Receipts:					
Property and Other Local Taxes	\$90,270				\$90,270
Library and Local Government Support	273,581				273,581
Intergovernmental	21,265				21,265
Patron Fines and Fees	14,970				14,970
Contributions, Gifts and Donations	1,865			\$100	1,965
Earnings on Investments	5,609	\$5,461	\$8,159	584	19,813
Miscellaneous	5,950				5,950
Total Cash Receipts	413,510	5,461	8,159	684	427,814
Cash Disbursements:					
Current:					
Salaries	211,836				211,836
Employee Fringe Benefits	65,268				65,268
Purchased and Contractual Services	75,220	1,724	43,463		120,407
Library Materials and Information	47,370	296		541	48,207
Supplies	11,182	1,332			12,514
Other	950				950
Capital Outlay	1,297	547	4,960		6,804
Total Cash Disbursements	413,123	3,899	48,423	541	465,986
Total Receipts Over/(Under) Disbursements	387	1,562	(40,264)	143	(38,172)
Other Financing Receipts / (Disbursements):					
Transfers-In			42,811	10	42,821
Transfers-Out	(42,821)				(42,821)
Total Other Financing Receipts / (Disbursements)	(42,821)		42,811	10	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(42,434)	1,562	2,547	153	(38,172)
Fund Cash Balances, January 1	82,960	190,391	157,868	13,007	444,226
Fund Cash Balances, December 31	\$40,526	\$191,953	\$160,415	\$13,160	\$406,054
Reserve for Encumbrances, December 31	\$840				\$840

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

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Archbold Community Library, Fulton County, (the Library) as a body corporate and politic. Archbold Area Local School District Board of Education 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 and common stock at cost (or fair value when donated).

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:

Bertha O. Bourquin – This fund receives interest income to be used for any library supplies and materials.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

Building and Repair – This fund receives private donations, contributions, and interest income to be used for repair and maintenance of the library building.

4. Permanent Funds

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

Carolyn L. Palmer Endowment Fund: This fund receives private donations and contributions, of which, only the interest is to be used for children's books and materials.

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 2008 and 2007 budgetary activity appears in Note 4.

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.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. PRIOR PERIOD RESTATEMENT

In prior years, the Library incorrectly recorded the value of its common stock. The effect of this correction on cash fund balances previously reported is as follows:

	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>
Cash Fund Balance, as previously reported, December 31, 2006	\$180,719	\$12,910
Adjustment for Incorrect Value	<u>9,672</u>	<u>97</u>
Cash Fund Balance, as restated at January 1, 2007	<u><u>\$190,391</u></u>	<u><u>\$13,007</u></u>

3. 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>2008</u>	<u>2007</u>
Demand deposits	\$83,106	\$67,515
Certificates of deposit	244,914	241,304
Cash on Hand	<u>200</u>	<u>200</u>
Total cash and deposits	<u><u>328,220</u></u>	<u><u>309,019</u></u>
Common stock (at cost, fair value was \$74,400 and \$93,000 at December 31, 2008 and 2007, respectively.)	93,000	93,000
Common stock (at cost, fair value was \$745 and \$2,665 at December 31, 2008 and 2007, respectively.)	<u>4,035</u>	<u>4,035</u>
Total investments	<u><u>97,035</u></u>	<u><u>97,035</u></u>
Total deposits and investments	<u><u>\$425,255</u></u>	<u><u>\$406,054</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library.

Investments: In 2004, the Library was bequeathed 100 shares of Pennsylvania Real Estate Investment Trust common stock with a value of \$40.35 per share and 930 shares of Farmers and Merchants Bancorp common stock with a value of \$100 per share. The Library holds these equity securities.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$406,714	\$405,135	(\$1,579)
Special Revenue	7,050	9,552	2,502
Capital Projects	6,900	7,751	851
Permanent	5,000	1,703	(3,297)
Total	\$425,664	\$424,141	(\$1,523)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$446,758	\$402,024	\$44,734
Special Revenue	19,000	2,007	16,993
Capital Projects	45,000	2,000	43,000
Permanent	790	691	99
Total	\$511,548	\$406,722	\$104,826

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$420,713	\$413,510	(\$7,203)
Special Revenue	5,850	5,461	(389)
Capital Projects	46,962	50,970	4,008
Permanent	5,000	694	(4,306)
Total	\$478,525	\$470,635	(\$7,890)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$503,525	\$456,784	\$46,741
Special Revenue	31,000	3,899	27,101
Capital Projects	75,000	48,423	26,577
Permanent	630	541	89
Total	\$610,155	\$509,647	\$100,508

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. 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.

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.

6. 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 2008 and 2007, OPERS members contributed 10.0 and 9.5%, respectively, of their gross salaries and the Library contributed an amount equaling 14.00 and 13.85% respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2008.

7. RISK MANAGEMENT

Risk Pool Membership

The Library belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

7. RISK MANAGEMENT – (CONTINUED)

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs.

The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available).

	2007	2006
Assets	\$11,136,455	\$9,620,148
Liabilities	(4,273,553)	(3,329,620)
Members' Equity	\$6,862,902	\$6,290,528

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

The Library also provides health and life insurance coverage to employees through a private carrier.



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*

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

To the Board of Trustees:

We have audited the financial statements of the Archbold Community Library, Fulton County, (the Library) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated April 16, 2009, 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 also noted the Library uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Library. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purposed described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We do not consider the significant deficiency described above to be a material weakness.

We also noted a certain internal control matter that we reported to the Library's management in a separate letter dated April 16, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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



Mary Taylor, CPA
Auditor of State

April 16, 2009

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2008-001

Significant Deficiency - Financial Reporting

The Library's 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. Receipts are recognized when received in cash rather than when earned. Investments are included as assets. Disbursements for investment purchases or receipts for investment sales are not recorded. Gains or losses are recorded at the time of sale as receipts or disbursements, respectively.

The following transactions were handled differently than mentioned above and required adjustments to adhere to the Library's accounting basis

1. The Library had certificates of deposit (CDs) at Farmers and Merchants State Bank during 2008 and 2007. Interest earned was credited by the bank to the balances of the certificates of deposit on a quarterly basis. The Library had not recorded any interest earned on these CDs to its financial statements. \$2,147 and \$1,918 were adjusted into the Special Revenue funds and Capital Projects funds, respectively as interest earnings in 2008.
2. The Library valued its common stock at fair value instead of fair value when donated. Gains and losses were recorded at the end of the fiscal year instead of the time of sale. Adjustments of \$9,672 to Special Revenue funds and \$97 to the Permanent fund were recorded at January 1, 2007, to value the common stock at fair value when donated. In 2007, adjustments of \$10,044 to the Special Revenue funds to reverse a loss in fair value and \$502 to the Permanent fund to reverse a gain in fair value were recorded.

Sound financial reporting is the responsibility of the fiscal officer and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Library's financial statements are complete and accurate according to its accounting basis, the Library should recognize all receipts when received in cash. In this case, that criteria is met when the bank credits interest earnings on a CD. Gains and losses on investments should be recorded at the time of sale.

Officials Response:

We did not receive a response from Officials to this finding.



Mary Taylor, CPA
Auditor of State

ARCHBOLD COMMUNITY LIBRARY

FULTON 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
MAY 19, 2009**