



**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA
Auditor of State

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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Mary Taylor, CPA
Auditor of State

Grandview Heights Public Library
Franklin County
1685 West First Avenue
Columbus, Ohio 43212

To the Board of Trustees:

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 6, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Grandview Heights Public Library
Franklin County
1685 West First Avenue
Columbus, Ohio 43212

To the Board of Trustees:

We have audited the accompanying financial statements of the Grandview Heights Public Library, Franklin County, Ohio (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 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 fund cash balances of Grandview Heights Public Library Franklin County, Ohio as of December 31, 2009 and 2008, and its 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 August 6, 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.



Mary Taylor, CPA
Auditor of State

August 6, 2010

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 793,246	\$ -	\$ 793,246
Library and Local Government Support	1,406,021	-	1,406,021
Intergovernmental	197,744	-	197,744
Patron Fines and Fees	88,091	-	88,091
Services Provided to Other Entities	4,565	-	4,565
Contributions, Gifts and Donations	37,699	-	37,699
Earnings on Investments	1,929	895	2,824
Miscellaneous Receipts	20,673	-	20,673
	<u>2,549,968</u>	<u>895</u>	<u>2,550,863</u>
Total Cash Receipts	<u>2,549,968</u>	<u>895</u>	<u>2,550,863</u>
Cash Disbursements:			
Current:			
Salaries	1,287,086	-	1,287,086
Employee Fringe Benefits	500,229	-	500,229
Purchased and Contracted Services	364,631	37,955	402,586
Library Materials and Information	265,738	-	265,738
Supplies	45,662	-	45,662
Other	5,196	-	5,196
Debt Service:			
Redemption of Principal	-	36,000	36,000
Interest Payments	-	6,059	6,059
Capital Outlay	16,876	100,699	117,575
	<u>2,485,418</u>	<u>180,713</u>	<u>2,666,131</u>
Total Cash Disbursements	<u>2,485,418</u>	<u>180,713</u>	<u>2,666,131</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>64,550</u>	<u>(179,818)</u>	<u>(115,268)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	-	42,075	42,075
Transfers-Out	(42,075)	-	(42,075)
	<u>(42,075)</u>	<u>42,075</u>	<u>-</u>
Total Other Financing Receipts/(Disbursements)	<u>(42,075)</u>	<u>42,075</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	<u>22,475</u>	<u>(137,743)</u>	<u>(115,268)</u>
Fund Cash Balances, January 1	<u>643,987</u>	<u>389,964</u>	<u>1,033,951</u>
Fund Cash Balances, December 31	<u><u>\$ 666,462</u></u>	<u><u>\$ 252,221</u></u>	<u><u>\$ 918,683</u></u>

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

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Cash Receipts:	
Services Provided to Other Entities	<u>\$ 646,061</u>
Total Operating Cash Receipts	<u>646,061</u>
Operating Cash Disbursements:	
Current:	
Salaries	194,007
Employee Fringe Benefits	66,864
Purchased and Contracted Services	364,818
Library Materials and Information	80,835
Supplies	892
Other	130
Capital Outlay	<u>57,289</u>
Total Operating Cash Disbursements	<u>764,835</u>
Operating Loss	<u>(118,774)</u>
Non-Operating Cash Receipts:	
Earnings on Investments	699
Other Non-Operating Receipts	<u>-</u>
Total Non-Operating Cash Receipts	<u>699</u>
Net Receipts Under Disbursements	(118,075)
Fund Cash Balance, January 1	<u>356,099</u>
Fund Cash Balance, December 31	<u><u>\$ 238,024</u></u>

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

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Property and Other Local Taxes	\$ 789,025	\$ -	\$ 789,025
Library and Local Government Support	1,710,525	-	1,710,525
Intergovernmental	173,497	-	173,497
Patron Fines and Fees	79,235	-	79,235
Contributions, Gifts and Donations	19,851	-	19,851
Earnings on Investments	15,056	8,173	23,229
Miscellaneous Receipts	37,699	-	37,699
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	2,824,888	8,173	2,833,061
Cash Disbursements:			
Current:			
Salaries	1,360,850	-	1,360,850
Employee Fringe Benefits	498,728	-	498,728
Purchased and Contracted Services	485,778	25,578	511,356
Library Materials and Information	306,592	-	306,592
Supplies	59,206	-	59,206
Other	9,484	-	9,484
Debt Service:			
Redemption of Principal	-	36,000	36,000
Interest Payments	-	5,150	5,150
Capital Outlay	74,272	123,844	198,116
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	2,794,910	190,572	2,985,482
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>
	29,978	(182,399)	(152,421)
Other Financing Receipts/(Disbursements):			
Transfers-In	-	200,000	200,000
Transfers-Out	(200,000)	-	(200,000)
Sale of Notes	-	180,000	180,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(200,000)	380,000	180,000
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>
	(170,022)	197,601	27,579
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	814,009	192,363	1,006,372
Fund Cash Balances, December 31	<hr/>	<hr/>	<hr/>
	\$ 643,987	\$ 389,964	\$ 1,033,951

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

GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

Operating Cash Receipts:	
Services Provided to Other Entities	\$ 611,862
	<u>611,862</u>
Total Operating Cash Receipts	<u>611,862</u>
Operating Cash Disbursements:	
Current:	
Salaries	167,545
Employee Fringe Benefits	57,218
Purchased and Contracted Services	299,752
Library Material and Information	62,650
Supplies	3,653
Other	825
Capital Outlay	20,710
	<u>612,353</u>
Total Operating Cash Disbursements	<u>612,353</u>
Operating Loss	<u>(491)</u>
Non-Operating Cash Receipts:	
Earnings on Investments	<u>3,608</u>
Total Non-Operating Cash Receipts	<u>3,608</u>
Net Receipts Over Disbursements	3,117
Fund Cash Balance, January 1	<u>352,982</u>
Fund Cash Balance, December 31	<u><u>\$ 356,099</u></u>

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

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Grandview Heights Public Library, Franklin County, (the Library) is body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Board of Education of Grandview Heights City School District. 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-Treasurer.

The Library is fiscally independent of the 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 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 Grandview Heights City School District.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Library is a member of the Central Library Consortium (the "CLC"), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resource sharing. The Library is the administrative and fiscal agent for the CLC. The Library is also a member of the Digital Downloads- A Library Collaboration (DDALC), a joint venture to finance online audio and print books as well as other digital projects for participating libraries. The CLC and DDALC are further discussed in Note 8.

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 the amount to the Library. The Grandview Heights Public Library Foundation is a component unit of the Library.

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

A. Description of the Entity

The Library is the sole beneficiary of an endowment fund from Grandview Heights Public Library Foundation (the Foundation). The Foundation is a legally separate, not-for-profit corporation, served by a board of trustees appointed by the Library. Since the Library is the sole beneficiary of the resources of the Foundation and because it appoints the board of trustees, it is considered a component unit of the Library. Under the regulatory basis of accounting, the Foundation's financial activity is not required to be presented with the Library financial statements. Financial information for the Foundation can be obtained from The Columbus Foundation, 1234 East Broad Street, Columbus, Ohio 43205.

The Friends of the Grandview Heights Public Library, Inc. is a legally separate, 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 Library does not have access to the resources provided by the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

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.

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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

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 is the library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2. Capital Projects Fund

This fund is used to finance capital acquisitions approved by the Board of Trustees.

3. Agency Fund

Funds for which the Library is acting in a custodial capacity are classified as agency funds. The Library had the following significant agency funds:

Central Library Consortium (CLC) – This agency fund receives fees from consortium members to finance operating expenditures of the Consortium.

Digital Downloads-A Library Collaboration (DDALC) – This agency fund receives fees from initiative members to finance online audio and print books as well as other digital projects for participating member libraries.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND DECEMBER 31, 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 cash and investments at December 31 was as follows:

	2009	2008
Demand deposits	\$537,068	\$578,827
Cash on Hand	500	500
Total deposits	537,568	579,327
STAR Ohio	619,139	810,723
Total investments	619,139	810,723
Total deposits and investments	\$1,156,707	\$1,390,050

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

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 December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,532,980	\$2,549,968	\$16,988
Capital Projects	44,575	42,970	(1,605)
Agency	647,661	646,760	(901)
Total	\$3,225,216	\$3,239,698	\$14,482

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,681,152	\$2,527,493	\$153,659
Capital Projects	333,075	180,713	152,362
Agency	897,902	764,835	133,067
Total	\$3,912,129	\$3,473,041	\$439,088

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,831,330	\$2,824,888	(\$6,442)
Capital Projects	402,000	388,173	(13,827)
Agency	615,147	615,469	322
Total	\$3,848,477	\$3,828,530	(\$19,947)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,189,250	\$2,994,910	\$194,340
Capital Projects	294,765	190,572	104,193
Agency	676,900	612,353	64,547
Total	\$4,160,915	\$3,797,835	\$363,080

4. Grants-In-Aid and Property Taxes

The primary source of revenue for Ohio public libraries is the State Public Library Fund (PLF). The State allocates PLF to each county based on the county's prior intangible tax of PLF 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, operations, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on 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 January 20. If the property owner elects to pay semiannually, the first half is due January 20. 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.

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

5. Debt

In 2008, the Board authorized the issuance of \$180,000 in notes in anticipation of Library and Local Government Fund Receipts. The purpose of the notes was to fund the costs of acquiring, constructing, installing, and equipping certain improvements to the facilities of the Library.

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Library Facilities Notes	\$108,000	4.50%

Amortization of the above debt, including interest, is scheduled as follows:

	Library Facilities Notes
Year ending December 31:	
2010	\$40,455
2011	38,835
2012	37,215
Total	\$116,505

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 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.

7. Risk Management

The Library has obtained commercial insurance for the following risks:

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

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

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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

8. Joint Ventures

The Library is a member of the Central Library Consortium (the "CLC"). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and resources sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system.

The CLC, which commenced on June 13, 1988, has eight members consisting of the Fairfield County District Library, Grandview Heights Public Library, Pickerington Public Library, The Wagnalls Memorial Library, Alexandria Public Library, Pickaway County District Public Library, Marysville Public Library, and Plain City Public Library. The original agreement has been modified to extend membership to additional libraries. The CLC is governed by a Council consisting of one appointed representative by each member library. The Council elects a president, a vice president, and a secretary. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library.

Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library.

The Library is also a member of the Digital Downloads-A Library Collaboration (DDALC), a joint venture to finance online audio and print books as well as other digital projects for participating member libraries. The Library carries all of the responsibility for this project. The participation agreements contain clauses regarding meetings of the Library Directors and each library having one vote however all of the contracts are in the Library's name. The DDALC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. The DDALC, which commenced in 2004, has fourteen members consisting of the Columbus Metropolitan Library, Kenton County Public Library, Plain City Public Library, Washington-Centerville Township, Worthington Public Library, Upper Arlington Public Library, Grandview Heights Public Library, Greene County Public Library, Fairfield County Public Library, Pickerington Public Library, Marysville Public Library, Southwest Public Library, Pickaway County Public Library, and Bexley Public Library. Each member makes payment to DDALC in the amount established in the agreements.

9. Subsequent Event

On May 4, 2010 the Library passed a 2.2 mill replacement levy.

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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*

Grandview Heights Public Library
Franklin County
1685 West First Avenue
Columbus, Ohio 43212

To the Library Board of Trustees:

We have audited the financial statements of the Grandview Heights Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 6, 2010, 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. 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 intend this report solely for the information and use of the audit committee, management and the Board of Trustees and others with 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

August 6, 2010

GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-001	Financial Reporting	Yes	

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Mary Taylor, CPA
Auditor of State

GRANDVIEW HEIGHTS PUBLIC LIBRARY

FRANKLIN 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
SEPTEMBER 7, 2010**