

MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY

RICHLAND COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2009 and 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Mansfield Richland Public Library
43 West Third Street
Mansfield, Ohio 44902

We have reviewed the *Report of Independent Accountants* of the Mansfield Richland Public Library, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Mansfield Richland Public Library is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

April 5, 2010

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MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Audit Report
For the years ended December 31, 2009 and 2008

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Mansfield/Richland County Public Library
Mansfield County
43 West Third Street
Mansfield, OH 44902

To the Board of Trustees:

We have audited the accompanying financial statements of the Mansfield/Richland County Public Library (the Library), Richland County, Ohio, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2009 and 2008. While the Library does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library has elected not to reformat its statements. Since the Library does not use GAAP to measure its financial statement amounts, 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 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 Mansfield/Richland County Public Library, Richland County, Ohio, as of December 31, 2009 and 2008 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2009 and 2008. 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 January 29, 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. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
January 29, 2010

MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY
RICHLAND COUNTY, OHIO
COMBINED 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>Total - (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Receipts:			
Property and Other Local taxes	\$ 3,637,915	-	\$ 3,637,915
Intergovernmental	4,623,851	-	4,623,851
Patrons, Fines and Fees	221,176	-	221,176
Contributions, Gifts and Donations	34,275	-	34,275
Investment Income	136,993	-	136,993
Reimbursements	96,191	-	96,191
Miscellaneous	21,781	-	21,781
Total Receipts	8,772,182	-	8,772,182
Disbursements:			
Salaries and Benefits	5,925,248	-	5,925,248
Purchased and Contracted Services	979,687	\$ 2,175	981,862
Library Materials and Informaton	1,069,026	17,025	1,086,051
Supplies	221,805	-	221,805
Other	35,657	-	35,657
Capital Outlay	75,797	197,584	273,381
Total Disbursements	8,307,220	216,784	8,524,004
Excess of Receipts Over/(Under)			
Disbursements	464,962	(216,784)	248,178
Other Financing Sources/(Uses):			
Transfers-In	-	425,000	425,000
Transfers-Out	(425,000)	-	(425,000)
Total Other Financing Sources/(Uses)	(425,000)	425,000	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	39,962	208,216	248,178
Fund Balance January 1, 2008	4,001,604	782,778	4,784,382
Fund Balance December 31, 2008	\$ 4,041,566	\$ 990,994	\$ 5,032,560
Reserve for Encumbrances, December 31	\$ 224,947	\$ 744,948	\$ 969,895

See accompanying Notes to the Financial Statements.

MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY
 RICHLAND COUNTY, OHIO
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
 CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 For the Year Ended December 31, 2009

	Governmental Fund Types		Total - (Memorandum Only)
	General	Capital Projects	
Receipts:			
Property and Other Local taxes	\$ 3,412,429	-	\$ 3,412,429
Intergovernmental	4,041,825	-	4,041,825
Patrons, Fines and Fees	234,886	-	234,886
Contributions, Gifts and Donations	26,472	\$ 17,550	44,022
Investment Income	78,115	-	78,115
Reimbursements	120,934	-	120,934
Miscellaneous	23,670	-	23,670
Total Receipts	7,938,331	17,550	7,955,881
Disbursements:			
Salaries and Benefits	6,080,791	-	6,080,791
Purchased and Contracted Services	867,374	168,108	1,035,482
Library Materials and Informaton	834,451	407,052	1,241,503
Supplies	166,932	-	166,932
Other	35,020	-	35,020
Capital Outlay	8,111	397,062	405,173
Debt Service:			
Redemption of Principal	1,089	-	1,089
Interest and Other Fiscal Changes	931	-	931
Total Disbursements	7,994,699	972,222	8,966,921
Excess of Receipts Over/(Under) Disbursements	(56,368)	(954,672)	(1,011,040)
Other Financing Sources/(Uses):			
Proceeds of Loan	-	90,000	90,000
Total Other Financing Sources/(Uses)	-	90,000	90,000
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	(56,368)	(864,672)	(921,040)
Fund Balance January 1, 2009	4,041,566	990,994	5,032,560
Fund Balance December 31, 2009	\$ 3,985,198	\$ 126,322	\$ 4,111,520
Reserve for Encumbrances, December 31	\$ 97,608	\$ 31,000	\$ 128,608

See accompanying Notes to the Financial Statements.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Mansfield-Richland County Public Library, County Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a seven-member Board of Trustees; four are appointed by the Richland County Commissioners and three are appointed by the Richland County Common Pleas Court Judge. The Library provides educational, informational, cultural and social materials, current information services, and a facility conveniently located to meet the community's needs.

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

B. BASIS OF ACCOUNTING

The Library prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH AND INVESTMENTS

The Library holds interim demand deposits. Certificates of deposit are valued at cost. The investment in STAR-Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as cash disbursements and sales of investments are not recorded as cash receipts. Gains or losses at the time of sale are recorded as cash receipts or cash disbursements, respectively.

MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

D. **FUND ACCOUNTING**

The Library maintains its accounting records in accordance with the principles of “Fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Library. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Capital Project Funds: These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library has two capital projects funds, which are as follows:

Building Repair Fund – This fund is used to account for transfers from the General Fund and is used for construction and building repairs.

Technology Fund – This fund is used to account for transfers from the General Fund and is used for computer related services. In addition, this fund received a contribution from the Gates Foundation, which is also used for computer related purposes.

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.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
 RICHLAND COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2009 and 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E BUDGETARY PROCESS – (Continued)

A summary of 2009 and 2008 budgetary activities appears in Note 3.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's basis of accounting.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ (1,875)	\$ 197
Repurchase Agreement	1,316,593	5,255
Savings Account	0	4,225,510
Certificate of deposit	2,796,502	0
STAR Ohio	0	801,198
Cash on Hand	300	300
Total Deposits and Investments	<u>\$ 4,111,520</u>	<u>\$ 5,032,560</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the Library or (3) collateralized by the financial institution's public entity deposit pool.

The negative cash balance in 2009 demand deposits was due to the Library investing in overnight repurchase agreements.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
 RICHLAND COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2009 and 2008**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,119,969	\$8,092,307	\$1,027,662
Capital Projects	1,330,515	1,003,222	327,293

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,087,207	\$8,957,167	\$130,040
Capital Projects	1,207,778	961,732	246,046

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public library is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated 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. The receipts are classified as Other Government Grants in Aid.

Real property taxes becomes a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Government Grants in Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payments is due the following June 20.

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

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008**

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

Tangible personal property tax receipts received in the current year (other than public utility property) represent the collection of the previous year's taxes. Tangible personal property taxes received in the current year were levied after October 1 of the previous year, on the true value as of December 31 of the previous year. The tangible personal property tax is being phased out. The assessment percentage for all property, including inventory, 6.25 percent for 2008, and zero for 2009.

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

5. RETIREMENT SYSTEM

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. OPERS members contributed 10% of their wages. The Library contributed an amount equal to 14% of participants' gross salaries in the year. The Library has paid all contributions required through December 31, 2009.

6. RISK MANAGEMENT

The Library is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year 2008, the Library contracted with one insurance company for coverage of buildings and contents. The following is a list of insurance coverage of the Library:

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

On May 31, 2009 the Library joined the Ohio Plan Risk Management (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 governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed 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.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
 RICHLAND COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2009 and 2008**

6. RISK MANAGEMENT – (Continued)

Plan Members are responsible to notify the Plan of their intent to renew coverages 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.

Settled claims have not exceeded this commercial coverage in any of the last three years. There have been significant reductions in insurance coverage from last year.

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	2008
Assets	\$ 11,136,455	\$ 10,471,114
Liabilities	(4,273,553)	(5,286,781)
Members' Equity	\$ 6,862,902	\$ 5,184,333

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

There were no significant reductions in coverage from the prior year and claims have not exceeded insurance coverage in any of the past three years. The Library pays the State Workers' Compensation System a premium based on a rate of \$100 of salaries. This rate is based on accident history and administrative costs.

7. TRANSFERS

In 2008, the Library transferred \$425,000 from the General Fund to the Building and Repair Fund (\$225,000) and Technology Fund (\$200,000) to subsidize operations.

8. DEBT

Debt outstanding as of December 31, 2009:

	<u>Principal</u>	<u>Interest Rate</u>
Bellville Property	\$88,911	4.11%

The Library purchased a parking lot and a building adjacent to the Bellville branch. The Library financed \$90,000 through Richland Bank. The Library makes monthly payments of \$674. The loan will mature on September 30, 2024.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008**

8. DEBT – (Continued)

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

<u>Year Ending December 31</u>	<u>Bellville Property</u>
2010	\$8,085
2011	8,085
2012	8,085
2013	8,085
2014	8,085
2015-2019	40,425
2020-2024	<u>38,401</u>
Total	<u><u>\$119,251</u></u>

9. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Mansfield/Richland County Public Library
Richland County
43 West Third Street
Mansfield, OH 44902

To the Board of Trustees:

We have audited the financial statements of the Mansfield/Richland County Public Library, Richland County, Ohio (Library), as and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated January 29, 2010, wherein we noted that 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-MRCPL-001 described in the accompanying schedule of findings to be a material weakness.

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 grants 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

We also noted certain matters that we have reported to management of the Library in a separate letter dated January 29, 2010.

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

Charles E. Harris and Associates, Inc.

January 29, 2010

**MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2009 and 2008**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER 2009-MRCPL-01 – Material Weakness

Reclassification

During 2008, The Library recorded \$210,239 of homestead and rollback revenue in the property taxes line item in the General Fund. The homestead and rollback revenue should have been recorded in the intergovernmental revenue line item. This resulted in the overstatement in the property taxes line item and understatement of revenue in the intergovernmental revenue line item of \$210,239 in the General Fund. The Library corrected the error in 2009.

Also, the Library recorded \$7,000 donations in the miscellaneous line item instead of the contributions, gifts and donations line items.

We recommend that the Library record all homestead and rollback and donation revenue in the appropriate revenue line items. The financial statements have been adjusted to reflect the proper presentation and the Library made the adjustments in its records.

Management's Response:

Procedures have been modified to insure recording and posting of revenues are appropriately entered and proofed by the Administrative Assistant and Deputy Fiscal Officer.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-MRCPL-01	The Library did not balance on their monthly bank reconciliations	Yes	No Longer Valid



Mary Taylor, CPA
Auditor of State

MANSFIELD RICHLAND PUBLIC LIBRARY

RICHLAND 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
APRIL 15, 2010**