

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

**RICHLAND COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2011 and 2010**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Mansfield/Richland County Public Library, Richland County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2010 through December 31, 2011. 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 County Public Library is responsible for compliance with these laws and regulations.

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Dave Yost  
Auditor of State

May 14, 2012

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**MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY**  
**RICHLAND COUNTY, OHIO**  
**Audit Report**  
**For the years ended December 31, 2011 and 2010**

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

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## REPORT OF INDEPENDENT ACCOUNTANTS

Mansfield/Richland County Public Library  
Richland 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, Richland County, (the Library), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Mansfield/Richland County Public Library, Richland County 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.

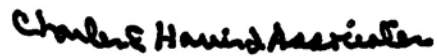
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Mansfield/Richland County Public Library, Richland County as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Mansfield/Richland County Public Library, Richland County, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2012, on our consideration of the Mansfield/Richland County Public Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

*Charles E. Harris & Associates, Inc.*  
March 14, 2012

**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, 2010**

	<u>Governmental Fund Types</u>		<u>Total - (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Receipts:</b>			
Property and Other Local taxes	\$ 3,425,084	-	\$ 3,425,084
Public Library Fund	3,389,515	-	3,389,515
Intergovernmental	432,507	-	432,507
Patrons, Fines and Fees	242,167	-	242,167
Contributions, Gifts and Donations	19,324	-	19,324
Non-governmental Grants	2,570	-	2,570
Earnings on Investments	75,729	-	75,729
Employee Benefits Reimbursements	109,566	-	109,566
Miscellaneous	10,758	-	10,758
<b>Total Receipts</b>	<b>7,707,220</b>	<b>-</b>	<b>7,707,220</b>
<b>Disbursements:</b>			
Salaries	3,824,186	-	3,824,186
Employee Fringe Benefits	1,495,940	-	1,495,940
Purchased and Contracted Services	777,480	\$ 29,773	807,253
Library Materials and Information	828,654	142,634	971,288
Supplies	118,850	-	118,850
Other	30,426	-	30,426
Capital Outlay	55,734	22,877	78,611
<b>Debt Service:</b>			
Redemption of Principal	88,911	-	88,911
Interest and Other Fiscal Changes	1,220	-	1,220
<b>Total Disbursements</b>	<b>7,221,401</b>	<b>195,284</b>	<b>7,416,685</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>485,819</b>	<b>(195,284)</b>	<b>290,535</b>
<b>Other Financing Sources/(Uses):</b>			
Sale of Property	70,000	-	70,000
Transfers-In	-	131,750	131,750
Transfers-Out	(131,750)	-	(131,750)
Advances-In	-	22,000	22,000
Advances-Out	(22,000)	-	(22,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(83,750)</b>	<b>153,750</b>	<b>70,000</b>
<b>Excess of Receipts &amp; Other Financing Sources Over/(Under) Disbursements and Other Financing Uses</b>	<b>402,069</b>	<b>(41,534)</b>	<b>360,535</b>
<b>Fund Balance January 1, 2010</b>	<b>3,985,198</b>	<b>126,322</b>	<b>4,111,520</b>
<b>Fund Balance December 31, 2010</b>	<b>\$ 4,387,267</b>	<b>\$ 84,788</b>	<b>\$ 4,472,055</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$ 251,832</b>	<b>\$ 24,499</b>	<b>\$ 276,331</b>

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, 2011**

	<u>Governmental Fund Types</u>		<u>Total - (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Receipts:</b>			
Property and Other Local taxes	\$ 3,325,157	-	\$ 3,325,157
Public Library Fund	3,545,176	-	3,545,176
Intergovernmental	431,261	-	431,261
Patrons, Fines and Fees	229,811	-	229,811
Services Provided to Other Entities - Title XX	16,938	-	16,938
Contributions, Gifts and Donations	31,066	-	31,066
Grants - Federal	1,612	\$ 30,000	31,612
Non-governmental Grants	-	25,200	25,200
Earnings on Investments	21,536	-	21,536
Employee Benefits Reimbursements	102,909	-	102,909
Miscellaneous	32,721	-	32,721
<b>Total Receipts</b>	<b>7,738,187</b>	<b>55,200</b>	<b>7,793,387</b>
<b>Disbursements:</b>			
Salaries	3,748,611	-	3,748,611
Employee Fringe Benefits	1,649,619	-	1,649,619
Purchased and Contracted Services	745,917	3,571	749,488
Library Materials and Information	824,516	173,205	997,721
Supplies	124,696	-	124,696
Other	28,629	-	28,629
Capital Outlay	8,587	126,475	135,062
<b>Total Disbursements</b>	<b>7,130,575</b>	<b>303,251</b>	<b>7,433,826</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>607,612</b>	<b>(248,051)</b>	<b>359,561</b>
<b>Other Financing Sources/(Uses):</b>			
Transfers-In	-	228,800	228,800
Transfers-Out	(228,800)	-	(228,800)
Advances-In	22,000	-	22,000
Advances-Out	-	(22,000)	(22,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>(206,800)</b>	<b>206,800</b>	<b>-</b>
<b>Excess of Receipts &amp; Other Financing Sources Over/(Under) Disbursements and Other Financing Uses</b>	<b>400,812</b>	<b>(41,251)</b>	<b>359,561</b>
<b>Fund Balance January 1, 2011</b>	<b>4,387,267</b>	<b>84,788</b>	<b>4,472,055</b>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	43,537	43,537
Assigned	202,480	-	202,480
Unassigned	4,585,599	-	4,585,599
<b>Fund Balance December 31, 2011</b>	<b>\$ 4,788,079</b>	<b>\$ 43,537</b>	<b>\$ 4,831,616</b>

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, 2011 and 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mansfield-Richland County Public Library, Richland County, (the Library) as a body corporate and politic. 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**

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).

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

**C. CASH 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 holds interim demand deposits. Certificates of deposit are valued at cost.

MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
RICHLAND COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

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:

**Governmental Fund Types:**

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

**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 funds:

***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.

E. **BUDGETARY PROCESS**

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

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

F. **FUND BALANCE**

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. **Nonspendable**

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

2. **Restricted**

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

MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
RICHLAND COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010

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

F. **FUND BALANCE – (Continued)**

3. **Committed**

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

4. **Assigned**

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

5. **Unassigned**

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

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

G. **PROPERTY, PLANT AND EQUIPMENT**

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. **ACCUMULATED LEAVE**

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

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
 RICHLAND COUNTY, OHIO  
 Notes to the Financial Statements  
 For the Years Ended December 31, 2011 and 2010**

**2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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:

	<b>2011</b>	<b>2010</b>
Demand deposits	\$ 2,071,322	\$ 1,621,056
Certificate of deposits	250,060	500,000
CDARS	2,509,934	2,350,699
Cash on Hand	300	300
<b>Total deposits and investments</b>	<b>\$ 4,831,616</b>	<b>\$ 4,472,055</b>

**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.

**3. BUDGETARY ACTIVITY**

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

**2011 Budgeted vs. Actual Receipts**

	<b>Budgeted</b>	<b>Actual</b>	
<b>Fund Type</b>	<b>Receipts</b>	<b>Receipts</b>	<b>Variance</b>
General	\$7,376,650	\$7,760,187	\$383,537
Capital Projects	289,401	284,000	(5,401)
<b>Total</b>	<b>\$7,666,051</b>	<b>\$8,044,187</b>	<b>\$378,136</b>

**2011 Budgeted vs. Actual Budgetary Basis Disbursements**

	<b>Appropriation</b>	<b>Budgetary</b>	
<b>Fund Type</b>	<b>Authority</b>	<b>Disbursements</b>	<b>Variance</b>
General	\$8,012,292	\$7,561,855	\$450,437
Capital Projects	363,866	340,476	23,390
<b>Total</b>	<b>\$8,376,158</b>	<b>\$7,902,331</b>	<b>\$473,827</b>

**2010 Budgeted vs. Actual Receipts**

	<b>Budgeted</b>	<b>Actual</b>	
<b>Fund Type</b>	<b>Receipts</b>	<b>Receipts</b>	<b>Variance</b>
General	\$7,510,669	\$7,777,220	\$266,551
Capital Projects	215,800	153,750	(62,050)
<b>Total</b>	<b>\$7,726,469</b>	<b>\$7,930,970</b>	<b>\$204,501</b>

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
 RICHLAND COUNTY, OHIO  
 Notes to the Financial Statements  
 For the Years Ended December 31, 2011 and 2010**

**3. BUDGETARY ACTIVITY – (Continued)**

<b>2010 Budgeted vs. Actual Budgetary Basis Disbursements</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Disbursements</b>	<b>Variance</b>
General	\$7,915,815	\$7,626,983	\$288,832
Capital Projects	342,050	219,783	122,267
Total	\$8,257,865	\$7,846,766	\$411,099

**4. GRANTS-IN-AID AND TAX RECEIPTS**

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

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.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
RICHLAND COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2011 and 2010**

**5. RETIREMENT SYSTEM**

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equal to 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2011.

**6. RISK POOL MEMBERSHIP**

The Library belongs to the Ohio Plan Risk Management, Inc., formerly known as the Ohio Risk Management Plan (the Plan).

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Library participates in this coverage.

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
 RICHLAND COUNTY, OHIO  
 Notes to the Financial Statements  
 For the Years Ended December 31, 2011 and 2010**

**6. RISK POOL MEMBERSHIP – (Continued)**

The Plan formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Library does not participate in this coverage.

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: 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC:

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members’ Equity	<u>\$7,191,485</u>	<u>\$300,035</u>	<u>\$6,323,701</u>	<u>\$105,185</u>

You can read the complete audited financial statements for OPRM and OPHC at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

**7. TRANSFERS**

In 2010, the Library transferred \$131,750 from the General Fund to the Technology Fund to subsidize operations. In 2011, the Library transferred \$228,800 to the Building and Repair Fund (\$20,500) and Technology Fund (\$208,300) to subsidize operations.

**8. ADVANCES**

In 2010, the General Fund advanced \$22,000 to the newly created CDBG Fund. This advance was repaid in 2011.

**9. CONTINGENT LIABILITIES**

Management believes there are no pending claims or lawsuits.



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

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**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  
Mansfield County  
43 West Third Street  
Mansfield, Ohio 44902

To the Board of Trustees:

We have audited the financial statements of the Mansfield/Richland County Public Library, Richland County (the Library) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 14, 2012, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. Also, we noted the Library implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 auditing 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.

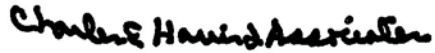
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies 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 such 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 management, the audit committee, the Board of Trustees and others within the Library. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

***Charles E. Harris and Associates, Inc.***

March 14, 2012

**MANSFIELD-RICHLAND COUNTY PUBLIC LIBRARY  
 RICHLAND COUNTY, OHIO  
 SCHEDULE OF PRIOR AUDIT FINDINGS  
 DECEMBER 31, 2011 AND 2010**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2009-MRCPL-01	The Library incorrectly recorded various revenue line items.	Yes	No Longer Valid





# Dave Yost • Auditor of State

**MANSFIELD/RICHLAND COUNTY 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  
MAY 24, 2012**