



Dave Yost • Auditor of State



ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY

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# Dave Yost • Auditor of State

St. Paris Public Library  
Champaign County  
P.O. Box 740  
St. Paris, Ohio 43072

To the Library Board of Trustees:

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

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

**Dave Yost**  
Auditor of State

June 22, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

St. Paris Public Library  
Champaign County  
P.O. Box 740  
St. Paris, Ohio 43072

To the Board of Trustees:

We have audited the accompanying financial statements of St. Paris Public Library, Champaign 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Government because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Dave Yost**  
Auditor of State

June 22, 2012



**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

**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>All Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Permanent</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$97,152			\$97,152
Public Library	251,113			251,113
Intergovernmental	15,732			15,732
Patron Fines and Fees	7,350			7,350
Contributions, Gifts and Donations	61,444			61,444
Earnings on Investments	1,777		\$1,165	2,942
Miscellaneous	3,730	\$47,832		51,562
Total Cash Receipts	<u>438,298</u>	<u>47,832</u>	<u>1,165</u>	<u>487,295</u>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Library Services	326,480	4,830	24	331,334
Capital Outlay	1,416	57,344		58,760
Total Cash Disbursements	<u>327,896</u>	<u>62,174</u>	<u>24</u>	<u>390,094</u>
Total Receipts Over/(Under) Disbursements	<u>110,402</u>	<u>(14,342)</u>	<u>1,141</u>	<u>97,201</u>
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In	23,416	20,000		43,416
Transfers-Out	(20,000)		(23,416)	(43,416)
Total Other Financing Receipts / (Disbursements)	<u>3,416</u>	<u>20,000</u>	<u>(23,416)</u>	
Special Item/Sale of Stock			17,841	17,841
Net Change in Fund Cash Balances	113,818	5,658	(4,434)	115,042
Fund Cash Balances, January 1	<u>183,078</u>	<u>160,856</u>	<u>75,466</u>	<u>419,400</u>
Fund Cash Balances, December 31				
Nonspendable			62,186	62,186
Restricted			8,846	8,846
Committed				
Assigned	32,332	166,514		198,846
Unassigned	264,564			264,564
Fund Cash Balances, December 31	<u>\$296,896</u>	<u>\$166,514</u>	<u>\$71,032</u>	<u>\$534,442</u>

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

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

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

	All Fund Types			Totals (Memorandum Only)
	General	Capital Projects	Permanent	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$96,518			\$96,518
Public Library	236,938			236,938
Intergovernmental	16,499			16,499
Patron Fines and Fees	8,378			8,378
Contributions, Gifts and Donations	10,416			10,416
Earnings on Investments	3,126		\$1,684	4,810
Miscellaneous	5,860			5,860
Total Cash Receipts	377,735		1,684	379,419
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Salaries	146,651			146,651
Employee Fringe Benefits	59,934			59,934
Purchased and Contractual Services	67,283	\$6,587		73,870
Library Materials and Information	40,457			40,457
Supplies	13,282	202		13,484
Other	1,562			1,562
Capital Outlay		9,317		9,317
Total Cash Disbursements	329,169	16,106		345,275
Total Receipts Over/(Under) Disbursements	48,566	(16,106)	1,684	34,144
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In		10,000		10,000
Transfers-Out	(10,000)			(10,000)
Total Other Financing Receipts / (Disbursements)	(10,000)	10,000		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	38,566	(6,106)	1,684	34,144
Fund Cash Balances, January 1	144,512	166,962	73,782	385,256
Fund Cash Balances, December 31	\$183,078	\$160,856	\$75,466	\$419,400
Reserve for Encumbrances, December 31	\$8,119	\$0	\$0	\$8,119

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

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the St. Paris Public Library, Champaign County, (the Library) as a body corporate and politic. The Graham Local School District Board of Education appoint a seven member Board of Trustees to govern the Library. The School Board is the Library's taxing authority.

The Library provides the community with various educational and literary resources.

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

**B. Accounting Basis**

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

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

**C. Deposits and Investments**

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

Stock is carried at cost or fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Library had the following significant capital project funds:

**Building Repair Fund** – This fund accounts for monies set aside by the Board specifically for major repairs and improvements to the library building.

ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Capital Improvement Fund** – This fund accounts for monies set aside by the Board specifically for capital improvements such as enlargement of the library building or the opening of branch libraries and any other major expenditures not accounted for in the building repair fund

**Technology Fund** – This fund accounts for monies received for the purpose of technology related expenditures.

3. Permanent Funds

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

**Richard Barger Bequest** – This fund is restricted as to principal. Its purpose is to use the investment income for general use while leaving the principal intact.

**Fannie Black Bequest** – This fund is restricted as to principal. Its purpose is to use the investment income for general use while leaving the principal intact.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the function level of control.

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

F. Fund Balance

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

1. Non-spendable

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

2. Restricted

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

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.

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

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

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

**4. Assigned**

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

**5. Unassigned**

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

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

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	<u>2011</u>	<u>2010</u>
Demand deposits	\$344,028	\$227,391
Certificates of deposit	167,358	166,667
Total deposits	<u>511,386</u>	<u>394,058</u>
STAR Ohio	23,056	23,042
Common stock (at cost, fair value was \$17,368 at December 31, 2010)		2,300
Total investments	<u>23,056</u>	<u>25,342</u>
Total deposits and investments	<u><u>\$534,442</u></u>	<u><u>\$419,400</u></u>

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

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

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

**2011 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$417,266	\$461,714	\$44,448
Capital Projects	70,584	67,832	(2,752)
Permanent	2,520	19,006	16,486
Total	<u>\$490,370</u>	<u>\$548,552</u>	<u>\$58,182</u>

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

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$473,114	\$347,896	\$125,218
Capital Projects	85,434	62,174	23,260
Permanent	25,740	23,440	2,300
Total	<u>\$584,288</u>	<u>\$433,510</u>	<u>\$150,778</u>

**2010 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$320,925	\$377,735	\$56,810
Capital Projects	25,000	10,000	(15,000)
Permanent	2,950	1,684	(1,266)
Total	<u>\$348,875</u>	<u>\$389,419</u>	<u>\$40,544</u>

**2010 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$499,899	\$347,288	\$152,611
Capital Projects	24,000	16,106	7,894
Permanent			
Total	<u>\$523,899</u>	<u>\$363,394</u>	<u>\$160,505</u>

**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 basis the amount for distribution on the needs of such library for the construction of new library 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. 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.

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

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

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

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.

**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 include postretirement healthcare and survivor and disability benefits.

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

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

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# Dave Yost • Auditor of State

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

St Paris Public Library  
Champaign County  
P.O. Box 740  
St. Paris, Ohio 43072

To the Board of Trustees:

We have audited the financial statements of St Paris Public Library, Champaign County (the Library) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 22, 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. We also noted the Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We also noted the District adopted Governmental Accounting Standards 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 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.

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 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 findings 2011-01 and 2011-02 described in the accompanying schedule of findings to be material weaknesses.

### **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 did note certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 22, 2012.

The Library's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's responses and, accordingly, we express no opinion on them.

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



**Dave Yost**  
Auditor of State

June 22, 2012

**ST. PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2011-01**

**Material Weakness**

**Financial Statement Posting Errors**

The Library sold its common stock and recorded all of the proceeds of the sale as revenue, which included the initial cost of the stock of \$2,300, and caused revenue in this Permanent fund to be overstated by the aforementioned amount. Since the initial cost of the stock was already included in the fund balances, the reconciliation between the bank and books was off by the amount of the initial cost. The Library officials then resolved to transfer the stock proceeds from this Permanent fund to the General fund (allowable per bequest documentation) and transferred the proceeds plus the initial cost of the stock to the General fund, which zeroed out the aforementioned Permanent fund but resulted in the General fund Transfers In and the Permanent fund Transfers out to be overstated as well as overstating the General fund ending balance. The fiscal officer then reduced the beginning General fund balances by the amount of the initial cost of the stock in order to bring the books back into agreement with the bank. This resulted in a variance between the ending 2010 General fund balance and the beginning 2011 balance. Correcting entries were made for the aforementioned posting errors and agreed to by the management of the Library.

The lack of proper accounting procedures to correct posting errors could lead to errors or irregularities without detection in the normal course of business on a timely basis.

Library officials should use due professional care in posting transactions, and analyzing and correcting posting errors.

**Officials Response:**

This error was due to restrictions of the UAN Accounting System functionality. The UAN system is provided by the Auditor of State. I was unable to obtain guidance on how to record the sale of the DP&L stock. I was advised by UAN to make a fund balance adjustment of the original cost of the stock of \$2,300 when the bank reconciliation was off by that amount.

**FINDING NUMBER 2011-02**

**Material Weakness**

**GASB 54 Implementation**

Governmental Accounting Standards Board (GASB) Statement No. 54 for Fund Balance Reporting (as discussed in AOS Bulletin 2004-011) defines the fund balance classifications related to constraints placed upon the use of resources reported in governmental funds. The five classifications are non-spendable, restricted, committed, assigned, and unassigned. This bulletin references specific paragraphs from GASB 54. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

The District did not present \$32,332 of Assigned Fund Balance (according to GASB 54 fund balance classification) in the General fund and \$8,846 of Restricted Fund Balance in the Permanent funds on the December 31, 2011 financial statements as required. An adjustment was made to the audited statements to include the GASB 54 presentation.

The lack of proper categorization of fund balances could lead to errors concerning the availability and use of those funds.

**FINDING NUMBER 2011-02  
(Continued)**

Library personnel should review AOS Bulletin 2011-004 to properly implement GASB 54 and refer any questions to Local Government Services (LGS).

**Officials Response:**

I did review AOS Bulletin 2011-004, however, due to the complexity of the pronouncement, and the fact that it was the first time for implementation, I was unsure of how to classify the funds.

**ST PARIS PUBLIC LIBRARY  
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-01	Ohio Rev. Code Section 135.21 states that interest earned must be credited to the general fund of the subdivision with noted exceptions. Interest was posted to a capital project fund without proper authorization.	Yes,	

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# Dave Yost • Auditor of State

SAINT PARIS PUBLIC LIBRARY

CHAMPAIGN 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  
JULY 19, 2012