



Mary Taylor, CPA
Auditor of State

CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY

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Mary Taylor, CPA
Auditor of State

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

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

Mary Taylor

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Auditor of State

October 17, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Public Library, Clark County, (the Library) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Instead of the combined funds the accompanying financial statements present, GAAP requires 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, 2007 and 2006 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, 2007 and 2006, 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 Clark County Public Library, Clark County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2008, 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

October 17, 2008

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

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

	<u>All Fund Types</u>					Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:						
Library and Local Government Support	\$4,914,429					\$4,914,429
Intergovernmental		\$507				507
Patron Fines and Fees	105,754					105,754
Services Provided to Other Entities	2,352					2,352
Contributions, Gifts and Donations	85,446				\$543,889	629,335
Earnings on Investments	403,770		\$442		13,512	417,724
Miscellaneous	61,544					61,544
Total Cash Receipts	<u>5,573,295</u>	<u>507</u>	<u>442</u>		<u>557,401</u>	<u>6,131,645</u>
Cash Disbursements:						
Current:						
Salaries	2,560,037					2,560,037
Employee Fringe Benefits	1,028,518					1,028,518
Purchased and Contractual Services	1,086,941	42				1,086,983
Library Materials and Information	1,274,955					1,274,955
Supplies	175,435					175,435
Other	19,533					19,533
Capital Outlay	64,037			\$856,239		920,276
Total Cash Disbursements	<u>6,209,456</u>	<u>42</u>		<u>856,239</u>		<u>7,065,737</u>
Total Receipts Over/(Under) Disbursements	<u>(636,161)</u>	<u>465</u>	<u>442</u>	<u>(856,239)</u>	<u>557,401</u>	<u>(934,092)</u>
Other Financing Receipts / (Disbursements):						
Transfers-In				957,406		957,406
Transfers-Out	(35,000)	(922,406)				(957,406)
Other Financing Sources	6,630					6,630
Total Other Financing Receipts / (Disbursements)	<u>(28,370)</u>	<u>(922,406)</u>		<u>957,406</u>		<u>6,630</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(664,531)	(921,941)	442	101,167	557,401	(927,462)
Fund Cash Balances, January 1	<u>3,181,253</u>	<u>921,941</u>	<u>8,725</u>	<u>4,171,814</u>	<u>3,431</u>	<u>8,287,164</u>
Fund Cash Balances, December 31	<u>2,516,722</u>		<u>9,167</u>	<u>4,272,981</u>	<u>560,832</u>	<u>7,359,702</u>
Reserve for Encumbrances, December 31	<u>\$2,312,414</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,420,773</u>	<u>\$0</u>	<u>\$4,733,187</u>

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	All Fund Types					Totals (Memorandum Only)
	General	Debt Service	Special Revenue	Capital Projects	Permanent	
Cash Receipts:						
Property and Other Local Taxes		\$242,777				\$242,777
Library and Local Government Support	\$4,914,430					4,914,430
Intergovernmental		24,323				24,323
Patron Fines and Fees	97,923					97,923
Services Provided to Other Entities	2,025					2,025
Contributions, Gifts and Donations	15,798					15,798
Earnings on Investments	436,724		\$289		\$59	437,072
Miscellaneous	51,233					51,233
Total Cash Receipts	<u>5,518,133</u>	<u>267,100</u>	<u>289</u>		<u>59</u>	<u>5,785,581</u>
Cash Disbursements:						
Current:						
Salaries	2,428,070					2,428,070
Employee Fringe Benefits	951,270					951,270
Purchased and Contractual Services	1,117,865	4,375				1,122,240
Library Materials and Information	1,463,374					1,463,374
Supplies	198,869					198,869
Other	11,044					11,044
Capital Outlay	121,411			\$617,789		739,200
Debt Service:						
Redemption of Principal		240,000				240,000
Interest and Other Fiscal Charges		15,000				15,000
Total Cash Disbursements	<u>6,291,903</u>	<u>259,375</u>		<u>617,789</u>		<u>7,169,067</u>
Total Receipts Over/(Under) Disbursements	<u>(773,770)</u>	<u>7,725</u>	<u>289</u>	<u>(617,789)</u>	<u>59</u>	<u>(1,383,486)</u>
Other Financing Receipts / (Disbursements):						
Transfers-In				35,000		35,000
Transfers-Out	(35,000)					(35,000)
Other Financing Sources	6,232					6,232
Total Other Financing Receipts / (Disbursements)	<u>(28,768)</u>			<u>35,000</u>		<u>6,232</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(802,538)	7,725	289	(582,789)	59	(1,377,254)
Fund Cash Balances, January 1	<u>3,983,791</u>	<u>914,216</u>	<u>8,436</u>	<u>4,754,603</u>	<u>3,372</u>	<u>9,664,418</u>
Fund Cash Balances, December 31	<u>3,181,253</u>	<u>921,941</u>	<u>8,725</u>	<u>4,171,814</u>	<u>3,431</u>	<u>8,287,164</u>
Reserve for Encumbrances, December 31	<u>\$2,793,364</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,135,003</u>	<u>\$0</u>	<u>\$4,928,367</u>

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 Clark County Public, Clark County, (the Library) as a body corporate and politic. The Clark County Commissioners and the Clark County Court of Common Pleas appoint a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

B. Accounting Basis

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

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

C. 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 values certificates of deposit at cost. STAR Ohio is recorded at share values the mutual fund reports.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Fund

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Hinkle Endowment – This fund accounts for money received as a distribution from an estate with no restrictions. This fund was previously classified as an expendable trust fund.

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

This fund accounts for resources the Library accumulated to pay bond debt. A debt service fund was established to provide for the financing of the building of the current Library. The Library debt was paid off during 2006 and the balance in the Debt Service Fund was transferred to the Capital Projects Fund during 2007.

4. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. A building and repair fund has been established.

5. 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:

Davis Endowment – This fund accounts for money received as a distribution from an estate in which only the income is to be used by the Library for general uses and purposes.

Bennett Endowment – This fund accounts for money received as a distribution from an estate in which only the income is to be used by the Library for the benefit of the Houston Branch.

Trump Endowment – This fund accounts for money received in memory of an individual. Income earned from this fund is to be used to supplement the Library's collection of books and other materials that pertain to theater and related topics.

Leventhal Endowment – This fund accounts for money received in honor of an individual. Income earned from this fund is to be used to purchase novels.

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 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2007	2006
Demand deposits	\$638,452	\$36,096
Certificates of deposit	11,038	10,506
Total deposits	649,490	46,602
STAR Ohio	6,709,806	8,240,156
Petty Cash	406	406
Total deposits and investments	\$7,359,702	\$8,287,164

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,579,837	\$5,579,925	\$88
Special Revenue	442	442	
Debt Service	507	507	
Capital Projects	957,406	957,406	
Permanent	557,401	557,401	
Total	\$7,095,593	\$7,095,681	\$88

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$8,761,090	\$8,556,870	\$204,220
Special Revenue	9,167	9,167	
Debt Service	922,448	922,448	
Capital Projects	5,129,220	3,277,012	1,852,208
Permanent	560,832	560,832	
Total	\$15,382,757	\$12,756,330	\$2,626,427

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,524,268	\$5,524,365	\$97
Special Revenue	289	289	
Debt Service	267,100	267,100	
Capital Projects	35,000	35,000	
Permanent	59	59	
Total	<u>\$5,826,716</u>	<u>\$5,826,813</u>	<u>\$97</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$9,508,058	\$9,120,267	\$387,791
Special Revenue	8,725		8,725
Debt Service	1,181,316	259,375	921,941
Capital Projects	4,789,603	2,752,792	2,036,811
Permanent	3,431		3,431
Total	<u>\$15,491,133</u>	<u>\$12,132,434</u>	<u>\$3,358,699</u>

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

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

**CLARK COUNTY PUBLIC LIBRARY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. DEBT

During 2006, the Library paid off the outstanding balance of the General Obligation Bonds issued in 1986 for the purpose of constructing and furnishing the current Library. The principal amount paid during 2006 was \$240,000.

6. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Library contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2007.

7. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

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

8. CHANGE IN ACCOUNTING PRINCIPLE

The Library reclassified its expendable trust fund to special revenue fund. In addition the Library reclassified its non-expendable trust funds to permanent funds in accordance with Auditor of State Bulletin 2005-005 which required fund reclassifications for non-GAAP filers.

9. LITERACY COALITION

The Library has an agreement with the Clark County Literacy Coalition to provide the facility located at 137 East High Street, Springfield, Ohio, for the Coalition to use for meetings, tutoring and administrative services. The agreement also stipulates that the Library will provide human resource support which includes processing payroll for the Coalition. The Library also agreed to provide general liability insurance coverage, arrange and pay for all utilities, and provide maintenance of the facility.

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Mary Taylor, CPA

Auditor of State

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

Clark County Public Library
Clark County
201 South Fountain Avenue
P.O. Box 1080
Springfield, Ohio 45501-1080

To the Board of Trustees:

We have audited the financial statements of the Clark County Public Library, Clark County, (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated October 17, 2008, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Library's management in a separate letter dated October 17, 2008.

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 noncompliance or other matters that we reported to the Library's management in a separate letter dated October 17, 2008.

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

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

Mary Taylor, CPA
Auditor of State

October 17, 2008



Mary Taylor, CPA
Auditor of State

CLARK COUNTY PUBLIC LIBRARY

CLARK 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
NOVEMBER 13, 2008**