



Dave Yost • Auditor of State

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

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Dave Yost • Auditor of State

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

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 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

September 15, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

To the Board of Trustees:

We have audited the accompanying financial statements of the Archbold Community Library, Fulton County, Ohio (the Library), as of and for the years ended December 31, 2010 and 2009. 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 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 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, 2010 and 2009 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, 2010 and 2009, 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 Archbold Community Library, Fulton County as of December 31, 2010 and 2009, 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 September 15, 2011 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

September 15, 2011

ARCHBOLD COMMUNITY LIBRARY
FULTON 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**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$133,048				\$133,048
Library and Local Government Support	212,289				212,289
Intergovernmental	42,074				42,074
Patron Fines and Fees	10,877				10,877
Contributions, Gifts and Donations	2,393			\$500	2,893
Earnings on Investments	196	\$3,816	\$1,459	299	5,770
Miscellaneous	4,715				4,715
Total Cash Receipts	<u>405,592</u>	<u>3,816</u>	<u>1,459</u>	<u>799</u>	<u>411,666</u>
Cash Disbursements:					
Current:					
Salaries	170,240				170,240
Employee Fringe Benefits	59,032				59,032
Purchased and Contractual Services	54,646	1,695	3,704		60,045
Library Materials and Information	43,346	537		799	44,682
Supplies	6,882	1,490			8,372
Other	818				818
Capital Outlay	720		15,597		16,317
Total Cash Disbursements	<u>335,684</u>	<u>3,722</u>	<u>19,301</u>	<u>799</u>	<u>359,506</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>69,908</u>	<u>94</u>	<u>(17,842)</u>		<u>52,160</u>
Fund Cash Balances, January 1	<u>33,434</u>	<u>199,553</u>	<u>168,463</u>	<u>14,589</u>	<u>416,039</u>
Fund Cash Balances, December 31	<u>\$103,342</u>	<u>\$199,647</u>	<u>\$150,621</u>	<u>\$14,589</u>	<u>\$468,199</u>

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$77,516				\$77,516
Library and Local Government Support	222,276				222,276
Intergovernmental	31,920				31,920
Patron Fines and Fees	12,687				12,687
Contributions, Gifts and Donations	2,862			\$500	3,362
Earnings on Investments	1,968	\$3,237	\$3,525	707	9,437
Miscellaneous	4,943				4,943
Total Cash Receipts	<u>354,172</u>	<u>3,237</u>	<u>3,525</u>	<u>1,207</u>	<u>362,141</u>
Cash Disbursements:					
Current:					
Salaries	190,952				190,952
Employee Fringe Benefits	66,978				66,978
Purchased and Contractual Services	64,360	2,614			66,974
Library Materials and Information	36,439	568		790	37,797
Supplies	6,466				6,466
Other	907				907
Capital Outlay	40		1,228		1,268
Total Cash Disbursements	<u>366,142</u>	<u>3,182</u>	<u>1,228</u>	<u>790</u>	<u>371,342</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(11,970)</u>	<u>55</u>	<u>2,297</u>	<u>417</u>	<u>(9,201)</u>
Other Financing Disbursements:					
Other Financing Disbursements	(15)				(15)
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(11,985)</u>	<u>55</u>	<u>2,297</u>	<u>417</u>	<u>(9,216)</u>
Fund Cash Balances, January 1	<u>45,419</u>	<u>199,498</u>	<u>166,166</u>	<u>14,172</u>	<u>425,255</u>
Fund Cash Balances, December 31	<u>\$33,434</u>	<u>\$199,553</u>	<u>\$168,463</u>	<u>\$14,589</u>	<u>\$416,039</u>

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

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 Archbold Community Library, Fulton County, Ohio (the Library), as a body corporate and politic. The Archbold Area Local School District Board of Education appoints 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. 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.

The Library values certificates of deposit and common stock at cost or fair value when donated.

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 Funds

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 Funds:

Bertha O. Bourquin Fund - This fund receives interest income to be used for any library supplies and materials.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

Helen Shibler Gift Fund - This fund receives interest income to be used for any library supplies and materials.

3. 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 and Repair Fund - This fund receives private donations, contributions, and interest income to be used for repair and maintenance of the library building.

Furniture and Fixtures Fund - This fund receives private donations, contributions, and interest income to be used for the purchase of furniture and equipment.

4. 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 Fund:

Carolyn L. Palmer Endowment Fund - This fund receives private donations and contributions, of which, only the interest is to be used for children's books and materials.

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 2010 and 2009 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.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. Equity in Pooled Deposits and Investments

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

	2010	2009
Demand deposits	\$141,245	\$91,422
Certificates of deposit	229,719	227,382
Cash on Hand	200	200
Total deposits	371,164	319,004
Common stock (at cost, fair value was \$66,960 and \$60,710 at December 31, 2010 and 2009, respectively.)	93,000	93,000
Common stock (at cost, fair value was \$1,453 and \$846 at December 31, 2010 and 2009, respectively.)	4,035	4,035
Total investments	97,035	97,035
Total deposits and investments	\$468,199	\$416,039

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

Investments: In 2004, the Library was bequeathed 930 shares of Farmers and Merchants Bancorp common stock with a value of \$100 per share and 100 shares of Pennsylvania Real Estate Investment Trust common stock with a value of \$40.35 per share. The Library holds these equity securities.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$405,903	\$405,592	(\$311)
Special Revenue	4,800	3,816	(984)
Capital Projects	3,000	1,459	(1,541)
Permanent	3,000	799	(2,201)
Total	\$416,703	\$411,666	(\$5,037)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$439,998	\$335,994	\$104,004
Special Revenue	10,000	3,722	6,278
Capital Projects	45,000	19,301	25,699
Permanent	800	799	1
Total	\$495,798	\$359,816	\$135,982

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity (Continued)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$389,251	\$354,172	(\$35,079)
Special Revenue	4,020	3,237	(783)
Capital Projects	6,900	3,525	(3,375)
Permanent	5,000	1,207	(3,793)
Total	\$405,171	\$362,141	(\$43,030)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,120	\$366,157	\$70,963
Special Revenue	14,000	3,182	10,818
Capital Projects	45,000	1,228	43,772
Permanent	4,790	790	4,000
Total	\$500,910	\$371,357	\$129,553

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 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.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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 2010 and 2009, 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, 2010.

6. Risk Management

Risk Pool Membership

Prior to 2009, the Government belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

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.

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. Risk Management (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, 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.



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*

Archbold Community Library
Fulton County
205 Stryker Street
Archbold, Ohio 43502-1191

To the Board of Trustees:

We have audited the financial statements of the Archbold Community Library, Fulton County, Ohio (the Library), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 15, 2011, 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 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 2010-001 and 2010-002 described in the accompanying schedule of findings to be material weaknesses.

Compliance and Other Matter

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 one instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-002.

We also noted a certain matter not requiring inclusion in this report that we reported to the Library's management in a separate letter dated September 15, 2011.

The Library's response 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, Board of Trustees, audit committee, and others within the Library. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

September 15, 2011

**ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

Material Weakness – Financial Reporting

The Library inappropriately recorded an adjustment from the prior audit involving interest earnings. Interest earnings of \$1,815 should have been recorded as revenue to the Helen Shibler Fund in 2008. The Library allocated these monies to the General fund in 2009.

The Library has posted the necessary adjustments to their financial statements and accounting records.

Sound financial reporting is the responsibility of the fiscal officer and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Library's financial statements and notes to the statements are complete and accurate, the Library should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board of Trustees, to identify and correct errors and omissions. The Fiscal Officer should also review the Library Handbook's chart of accounts to ensure all accounts are being properly posted to the financial statements.

Officials' Response:

This finding occurred during the tenure of the prior fiscal officer. Library officials have implemented corrective procedures.

FINDING NUMBER 2010-002

Material Weakness - Noncompliance Citation

Ohio Revised Code, § 3375.391, states a board of library trustees of any free public library district may adopt a resolution requiring the treasurer of the district to credit the earnings made on the investment of the principal of the moneys specified in the resolution to the fund from which the earnings arose or any other fund of the district as the board specifies in its resolution.

The Trustees approved a resolution on January 14, 2009, stating interest earnings for 2009 from the Helen Shibler Fund certificate of deposit are to be recorded to the General Fund. Interest earnings of \$1,154 from this certificate of deposit were recorded in the Helen Shibler Fund.

The Library has posted the necessary adjustments to their financial statements and accounting records.

The Fiscal Officer should record interest earnings to the funds as designated by the Board of Trustees in its resolution.

Officials' Response:

This finding occurred during the tenure of the prior fiscal officer. Library officials have implemented corrective procedures.

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ARCHBOLD COMMUNITY LIBRARY
FULTON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Significant Deficiency for Financial Reporting, certificate of deposit interest not posted and stock investment not valued at the fair value when donated.	Yes	

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Dave Yost • Auditor of State

ARCHBOLD COMMUNITY LIBRARY

FULTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 29, 2011