

PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2012-2011



Dave Yost • Auditor of State

Board of Trustees
Portage County District Library
10482 South Street
Garrettsville, Ohio 44231

We have reviewed the *Independent Auditor's Report* of the Portage County District Library, Portage County, prepared by Escott & Company, LLC, for the audit period January 1, 2011 through December 31, 2012. 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.

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 Portage County District Library is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 31, 2013

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PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY

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ESCOTT & COMPANY

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RICHARD J. TINKER, CPA
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INDEPENDENT AUDITOR'S REPORT

Portage County District Library
Portage County
10482 South Street
Garrettsville, Ohio 44231

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Portage County District Library, Portage County, (the Library) as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2012 and 2011, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Portage County District Library, Portage County as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 the Portage County District Library adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2013, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Essatt & Company LLC

June 12, 2013

Portage County District Library
Portage County
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2012

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Public Library	\$1,942,374			1,942,374
Intergovernmental	2,784			2,784
Patron Fines and Fees	32,102			32,102
Services Provided to Other Entities	18,927			18,927
Contributions, Gifts and Donations	19,412			19,412
Earnings on Investments	1,938	\$111	\$1,333	3,382
Miscellaneous	25,407			25,407
<i>Total Cash Receipts</i>	<u>2,042,944</u>	<u>111</u>	<u>1,333</u>	<u>2,044,388</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	865,154			865,154
Collection Development and Processing	360,676			360,676
Support Services:				
Facilities Operation and Maintenance	155,902			155,902
Information Services	100,338			100,338
Business Administration	399,069			399,069
Capital Outlay	25,635		1,997	27,632
<i>Total Cash Disbursements</i>	<u>1,906,774</u>	<u>0</u>	<u>1,997</u>	<u>1,908,771</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>136,170</u>	<u>111</u>	<u>(664)</u>	<u>135,617</u>
Other Financing Receipts (Disbursements)				
Transfers In			110,000	110,000
Transfers Out	(110,000)			(110,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(110,000)</u>	<u>0</u>	<u>110,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	26,170	111	109,336	135,617
<i>Fund Cash Balances, January 1</i>	<u>638,424</u>	<u>44,794</u>	<u>538,326</u>	<u>1,221,544</u>
Fund Cash Balances, December 31				
Committed	0	44,907	0	44,907
Assigned	371,307	0	647,662	1,018,969
Unassigned (Deficit)	293,287	(2)	0	293,285
<i>Fund Cash Balances, December 31</i>	<u>\$664,594</u>	<u>\$44,905</u>	<u>\$647,662</u>	<u>\$1,357,161</u>

Portage County District Library
 Portage County
 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
 Agency Fund
 For the Year Ended December 31, 2012

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Operating Cash Receipts	
Patron Fines and Fees	\$530
Earnings on Investments (trust funds only)	254
Library and Local Government Support	4,092
	<hr/>
<i>Total Operating Cash Receipts</i>	4,876
	<hr/>
Operating Cash Disbursements	
Salaries	13,181
Employee Fringe Benefits	2,607
Purchased and Contracted Services	118,866
Library Materials and Information	50,000
Supplies	1,639
Other	100
	<hr/>
<i>Total Operating Cash Disbursements</i>	186,393
	<hr/>
<i>Operating Income (Loss)</i>	(181,517)
	<hr/>
Non-Operating Receipts (Disbursements)	
Intergovernmental	181,061
Capital Outlay	(2,656)
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<i>Total Non-Operating Receipts (Disbursements)</i>	178,405
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<i>Net Change in Fund Cash Balances</i>	(3,112)
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<i>Fund Cash Balances, January 1</i>	73,454
	<hr/>
<i>Fund Cash Balances, December 31</i>	\$70,342
	<hr/> <hr/>

Portage County District Library
 Portage County
 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
 All Governmental Fund Types
 For the Year Ended December 31, 2011

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Public Library	\$2,058,931			\$2,058,931
Intergovernmental	8,934			8,934
Patron Fines and Fees	35,482			35,482
Services Provided to Other Entities	24,210			24,210
Contributions, Gifts and Donations	33,414			33,414
Earnings on Investments	3,943	\$287	\$2,632	6,862
Miscellaneous	33,764			33,764
<i>Total Cash Receipts</i>	<u>2,198,678</u>	<u>287</u>	<u>2,632</u>	<u>2,201,597</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	919,445			919,445
Collection Development and Processing	269,510			269,510
Support Services:				
Facilities Operation and Maintenance	171,323		4,566	175,889
Information Services	97,634			97,634
Business Administration	428,166			428,166
Capital Outlay	64,852	5,200	1,600	71,652
<i>Total Cash Disbursements</i>	<u>1,950,930</u>	<u>5,200</u>	<u>6,166</u>	<u>1,962,296</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>247,748</u>	<u>(4,913)</u>	<u>(3,534)</u>	<u>239,301</u>
Other Financing Receipts (Disbursements)				
Transfers In			100,000	100,000
Transfers Out	(100,000)			(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	147,748	(4,913)	96,466	239,301
<i>Fund Cash Balances, January 1 (Adjusted see note2)</i>	<u>490,676</u>	<u>49,707</u>	<u>441,860</u>	<u>982,243</u>
Fund Cash Balances, December 31				
Committed	0	44,796	0	44,796
Assigned	341,348	0	538,326	879,674
Unassigned (Deficit)	297,076	(2)	0	297,074
<i>Fund Cash Balances, December 31</i>	<u>\$638,424</u>	<u>\$44,794</u>	<u>\$538,326</u>	<u>\$1,221,544</u>

Portage County District Library
 Portage County
 Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
 Agency Fund
 For the Year Ended December 31, 2011

	<u>Fiduciary Fund Types</u>
	<u>Agency</u>
Operating Cash Receipts	
Patron Fines and Fees	\$487
Earnings on Investments (trust funds only)	648
Library and Local Government Support	1,412
	<hr/>
<i>Total Operating Cash Receipts</i>	2,547
	<hr/>
Operating Cash Disbursements	
Salaries	11,072
Employee Fringe Benefits	2,209
Purchased and Contracted Services	106,680
Library Materials and Information	55,022
Supplies	3,094
Other	489
	<hr/>
<i>Total Operating Cash Disbursements</i>	178,566
	<hr/>
<i>Operating Income (Loss)</i>	(176,019)
	<hr/>
Non-Operating Receipts (Disbursements)	
Intergovernmental	176,026
Capital Outlay	(3,302)
	<hr/>
<i>Total Non-Operating Receipts (Disbursements)</i>	172,724
	<hr/>
<i>Net Change in Fund Cash Balances</i>	(3,295)
	<hr/>
<i>Fund Cash Balances, January 1</i>	76,749
	<hr/>
<i>Fund Cash Balances, December 31</i>	<u><u>\$73,454</u></u>

**PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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 Portage County District Library, Portage County, (the Library) as a body corporate and politic. They appoint a 7 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.

STAR Ohio is 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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Fund:

PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

Mildred Chang Memorial Fund – This fund accounts for the bequest by Ms. Chang to be used for capital improvements of the Windham Branch only.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project funds:

Garrettsville Building Fund – This fund is used to account for capital improvements and repairs of the Garrettsville building.

Branch Improvement Fund – This fund is used to account for the capital improvements of various Library branches other than the Garrettsville building.

Portage County District Library Automated Circulation System Fund—This fund is used to account for computer purchases and automation at the library.

4. Agency Funds

Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant fiduciary funds:

The Library acts as the fiscal agent for the Portage Library Consortium (PLC) and uses a PLC General Fund and a PLC Circulation Fund.

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 level of control. A summary of 2012 and 2011 budgetary activity appears in Note 4.

F. Fund Balance

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,

PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)

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.

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. Change in Accounting Principle and Restatement of Net Assets/Fund Equity

For fiscal year 2011, the Library reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

**PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

	Fund Balance at December 31, 2010	GASB 54 Change in Fund Structure	Adjusted Fund Balance at December 31, 2010
General	\$356,783	\$ 133,893	\$490,676
Special Revenue	\$183,600	\$(133,893)	\$ 49,707

3. 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>2012</u>	<u>2011</u>
Demand deposits	\$1,358,826	\$1,226,373
Investment - STAR Ohio	68,677	68,625
Total deposits and investments	<u>\$1,427,503</u>	<u>\$1,294,998</u>

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.

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

<u>2012 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$2,041,474	\$2,042,944	\$1,470
Special Revenue	0	111	111
Capital Projects	0	111,333	111,333
Fiduciary	191,061	185,937	(5,124)
Total	<u>\$2,232,535</u>	<u>\$2,340,325</u>	<u>\$107,790</u>

**PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

2012 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,679,899	\$2,016,774	\$663,125
Special Revenue	44,796	0	44,796
Capital Projects	538,326	1,997	536,329
Fiduciary	264,327	189,049	75,278
Total	<u>\$3,527,348</u>	<u>\$2,207,820</u>	<u>\$1,319,528</u>

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,191,081	\$2,198,678	\$7,597
Special Revenue	0	287	287
Capital Projects	0	102,632	102,632
Fiduciary	191,926	178,573	(13,353)
Total	<u>\$2,383,007</u>	<u>\$2,480,170</u>	<u>\$97,163</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,681,759	\$2,050,930	\$630,829
Special Revenue	49,709	5,200	44,509
Capital Projects	441,860	6,166	435,694
Fiduciary	268,486	181,868	86,618
Total	<u>\$3,441,814</u>	<u>\$2,244,164</u>	<u>\$1,197,650</u>

5. 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.

6. Retirement System

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>PERS – Local</i>	<i>2011 - 2012</i>	<i>10%</i>	<i>14%</i>

**PORTAGE COUNTY DISTRICT LIBRARY
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011
(Continued)**

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 2012 and 2011, 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, 2012.

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 and dental and vision coverage to full-time employees through a private carrier.

8. Jointly Governed Organization

The Portage Library Consortium (PLC) authorized under Ohio Revised Code Section 3375.403 consists of the Portage County District Library, Kent Free Library, and Reed Memorial libraries. The purpose of the consortium is to provide better services at reduced costs to each member through collective efforts and resource sharing. The PLC is governed by a Council comprised of two trustees from each member library. Member libraries are entitled to a single vote. The Board controls the budget and all financial concerns. The three libraries allocate 1.33% of the PLF for a total of 3.99% allocation of revenue. The Portage County District Library acts as the fiscal agent for the consortium.



ESCOTT & COMPANY

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PUBLIC ACCOUNTANTS

RICHARD J. TINKER, CPA
AL STEFANOV, CPA

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

Portage County District Library
Portage County
10482 South Street
Garrettsville, Ohio 44231

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements as of and for the years ended December 31, 2012 and 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, and we have issued our report thereon dated June 12, 2013. We noted for the audit period ending December 31, 2011 the Library adopted the provisions of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

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Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Escott & Company LLC

June 12, 2013



Dave Yost • Auditor of State

PORTAGE COUNTY DISTRICT LIBRARY

PORTAGE 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
AUGUST 15, 2013**