

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED
DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA

Auditor of State

Board of Trustees
Greenville Public Library
520 Sycamore Street
Greenville, Ohio 45331

We have reviewed the *Independent Accountants' Report* of the Greenville Public Library, Darke County, prepared by Manning & Associates, CPAs, LLC, for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Greenville Public Library is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 24, 2007

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GREENVILLE PUBLIC LIBRARY
DARKE COUNTY

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MANNING & ASSOCIATES CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

INDEPENDENT ACCOUNTANTS' REPORT

Greenville Public Library
Darke County
520 Sycamore Street
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of the Greenville Public Library, Darke County, (the Library) as of and for the years ended December 31, 2006 and December 31, 2005. 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.

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 American (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.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library has elected not to reformat its statements. Since this Library does not use GAAP to measure financial statement amounts, 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, 2006 and 2005 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, 2006 and 2005, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Library as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. 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 August 15, 2007, 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.

Manning & Associates CPAs, LLC
Dayton, Ohio

August 15, 2007

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Government Grants-In-Aid	\$ 953,910	\$ 0	\$ 0	\$ 953,910
Patrons Fines and Fees	18,610	0	0	18,610
Earnings on Investments	49,089	2,269	3,844	55,202
Contributions, Gifts, and Donations	3,580	0	113,640	117,220
Miscellaneous Receipts	1,865	0	0	1,865
	<u>1,027,054</u>	<u>2,269</u>	<u>117,484</u>	<u>1,146,807</u>
Total Cash Receipts				
	<u>1,027,054</u>	<u>2,269</u>	<u>117,484</u>	<u>1,146,807</u>
Cash Disbursements:				
Salaries and Benefits	606,705	0	0	606,705
Purchased and Contracted Services	123,126	0	0	123,126
Library Materials and Supplies	206,400	0	0	206,400
Supplies	69,569	0	0	69,569
Other	9,000	0	84,968	93,968
Capital Outlay	13,500	0	0	13,500
	<u>1,028,300</u>	<u>0</u>	<u>84,968</u>	<u>1,113,268</u>
Total Cash Disbursements				
	<u>1,028,300</u>	<u>0</u>	<u>84,968</u>	<u>1,113,268</u>
Total Cash Receipts Over Cash Disbursements	<u>(1,246)</u>	<u>2,269</u>	<u>32,516</u>	<u>33,539</u>
Fund Cash Balances, January 1	<u>427,146</u>	<u>110,372</u>	<u>967,141</u>	<u>1,504,659</u>
Fund Cash Balances, December 31	<u>\$ 425,900</u>	<u>\$ 112,641</u>	<u>\$ 999,657</u>	<u>\$ 1,538,198</u>

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

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Government Grants-In-Aid	\$ 944,257	\$ 0	\$ 0	\$ 944,257
Patrons Fines and Fees	22,677	0	0	22,677
Earnings on Investments	21,125	2,148	1,215	24,488
Contributions, Gifts, and Donations	2,196	0	290,612	292,808
Miscellaneous Receipts	7,844	54	0	7,898
Total Cash Receipts	<u>998,099</u>	<u>2,202</u>	<u>291,827</u>	<u>1,292,128</u>
Cash Disbursements:				
Salaries and Benefits	564,680	0	0	564,680
Purchased and Contracted Services	87,066	0	0	87,066
Library Materials and Supplies	189,458	0	0	189,458
Supplies	48,097	0	0	48,097
Other	3,052	0	0	3,052
Capital Outlay	93,500	0	0	93,500
Total Cash Disbursements	<u>985,853</u>	<u>0</u>	<u>0</u>	<u>985,853</u>
Total Cash Receipts Over Cash Disbursements	<u>12,246</u>	<u>2,202</u>	<u>291,827</u>	<u>306,275</u>
Fund Cash Balances, January 1	<u>414,900</u>	<u>108,170</u>	<u>675,314</u>	<u>1,198,384</u>
Fund Cash Balances, December 31	<u>\$ 427,146</u>	<u>\$ 110,372</u>	<u>\$ 967,141</u>	<u>\$ 1,504,659</u>

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

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greenville Public Library, Darke County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is a school district library. The Library is directed by a seven-member Board of Trustees appointed by the Greenville City School Board of Education. The Library provides the community with general services regarding books, periodicals, videos, and other various educational and literary resources.

Friends of the Greenville Library is a non-profit group that is also associated with the Library. Since the tax exempt status of this organization is based on their support of the Library, information regarding the relationship has been disclosed in Note 9.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Library has two checking accounts and certificates of deposit. The certificates of deposit and donated common stock are valued at cost.

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for 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:

Finnarn Fund – This fund receives monies from donations from the Finnarn Family, which are to be used for quality type books dealing with horses or agriculture both principal and earnings can be expended.

McCabe Fund – This fund received monies from a donation by the McCabe Family, which are kept in trust to be used for any appropriate Library expense. Principal and earnings can be expended.

Schafer Fund – This fund received stock and dividends from the Estate of Alice M. Schafer, which are to be used for any appropriate Library expense.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Library had the following significant capital project fund:

Building and Repair Fund – The Library utilizes this fund to accumulate funds for the future construction and repair of facilities and the Library expansion project.

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2006 and 2005 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2006</u>	<u>2005</u>
Demand deposits	\$ 317,686	\$ 336,949
Certificates of deposit	1,160,229	1,109,696
Total deposits	<u>1,477,915</u>	<u>1,446,645</u>
Common stock	<u>60,150</u>	<u>57,881</u>
Total investments	<u>60,150</u>	<u>57,881</u>
Cash on Hand	133	133
Total Deposits and Investments	<u>\$ 1,538,198</u>	<u>\$ 1,504,659</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: The Library held 558 shares of donated Park National Corporation stock at December 31, 2006, with a fair market value of \$55,596. In 2006 and 2005, dividends were reinvested. Total shares held at December 31, 2006, was 630 shares with the fair market value of \$63,361. The financial institution maintains records identifying the Library as owner of these securities.

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2006 and 2005 was as follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 906,215	\$ 1,027,054	\$ 120,839
Special Revenue	45,000	2,269	(42,731)
Capital Projects	0	117,484	117,484
Total	<u>\$ 951,215</u>	<u>\$ 1,146,807</u>	<u>\$ 195,592</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,330,000	\$ 1,028,300	\$ 301,700
Special Revenue	109,465	0	109,465
Capital Projects	161,190	84,968	76,222
Total	<u>\$ 1,600,655</u>	<u>\$ 1,113,268</u>	<u>\$ 487,387</u>

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 930,000	\$ 998,099	\$ 68,099
Special Revenue	55,000	2,202	(52,798)
Capital Projects	0	291,827	291,827
Total	<u>\$ 985,000</u>	<u>\$ 1,292,128</u>	<u>\$ 307,128</u>

2005 Budgeted vs Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,008,453	\$ 985,853	\$ 22,600
Special Revenue	132,649	0	132,649
Capital Projects	138,500	0	138,500
Total	<u>\$ 1,279,602</u>	<u>\$ 985,853</u>	<u>\$ 293,749</u>

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

4. GRANTS-IN-AID

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated 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 any additional revenues the Library receives.

5. RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006 and 2005, OPERS members contributed 9 percent and 8.5 percent of their wages, respectively. The Library contributed an amount equal to 13.70 percent and 13.55 percent of participants' gross salaries for 2006 and 2005, respectively. The Library has paid all contributions required through December 31, 2006.

6. RISK MANAGEMENT

Commercial Insurance

The Greenville Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Commercial Crime;
- Commercial Computer liability;
- Inland Marine;
- Equipment Breakdown; and
- Employee Dishonesty liability.

7. SUBSEQUENT EVENTS

A. Library Addition/Renovation

The Library has worked with an architectural firm for a future building addition and renovation. The total estimated project cost is \$2.4 million. This project is expected to be financed through the Capital Projects Fund, fundraisers, donations, and a loan. A loan in the amount of \$1.3 million was obtained in 2007. Currently no funds have been disbursed from the loan. The project commenced in the spring of 2007.

GREENVILLE PUBLIC LIBRARY
 DARKE COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2006 AND 2005

8. RECLASSIFICATION OF FUNDS

January 1, 2005, the Library reclassified its expendable trust funds into special revenue funds.

		Special Revenue		Expendable Trust
Balance, January 1	\$	0	\$	108,170
Reclassification		108,170		(108,170)
Balance, January 1	\$	108,170	\$	0

9. FRIENDS OF THE GREENVILLE LIBRARY

Friends of the Greenville Library is a non-profit group that exists and operates toward the betterment of the Greenville Public Library. The organization is legally separate and is not fiscally dependent on the Library. Contributions and membership dues are used to purchase items for the Library and to support programs for children and young adults.

MANNING & ASSOCIATES CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

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

Greenville Public Library
Darke County
520 Sycamore Street
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the financial statements of the Greenville Public Library, Darke County, Ohio (the Library) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated August 15, 2007, wherein we noted the Library prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 auditing procedures for the purpose of 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of 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.

We consider the following deficiency in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies or material weaknesses. We believe that the significant deficiency described above is a material weakness.

We noted certain internal control matters that we reported to the Library's management in a separate letter dated August 15, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported 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 August 15, 2007.

This report is intended for the information and use of the audit committee, management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Manning & Associates CPAs, LLC
Dayton, Ohio

August 15, 2007

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY

SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

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

FINDING NUMBER 2006-001

Significant Deficiency – Material Weakness:

Financial Reporting & Bank Reconciliations

Our audit of the Library's financial activity and annual reports filed with the Auditor of State of Ohio for 2006 and 2005 indicated the following misstatements to the amounts reported

1. In 2005, \$290,611 of fundraising contributions were recorded in the General Fund instead of the Capital Projects Fund established for the renovation of the building. Interest on the fundraising account was included in the General Fund. Also, 2004 receipts of the fundraising activities were recorded in May, 2005. These items were included in the prior audit adjustments for December 31, 2004.
2. The expendable trusts were reclassified as Private Purpose Trust on the Library's annual report. Under the guidelines issued in Auditor of State bulletin 2005-005, these funds should be classified as Special Revenue, since the principal and interest can be used for the any purpose of the Library.
3. In 2006 and 2005 investment earnings (dividend reinvestments) were not timely recorded in the Library's books and records.
4. In 2006, \$113,640 of fundraising contributions were recorded in the General Fund instead of the Capital Projects Fund established for the renovation of the building. Interest on the fundraising account was included in the General Fund.
5. There was no combining statement presented showing the individual activity of the three Special Revenue Funds, (formally trusts) for 2006 or 2005. The Clerk-Treasurer does not account for each fund separately in the computerized accounting system used by the Library.
6. The bank reconciliation at December 31, 2006, indicated other adjusting factors of \$217,772, this was due to Certificates of Deposit (CD) not recorded at cost and a renewal of CD's recorded as a \$50,000 transfer. Interest was not recorded.
7. Cash and Investments were not accurately reported on the financial statements. The Library has a payroll account that is not included on the computerized books.
8. The year-end reconciliation had irreconcilable difference of \$245 for December 31, 2006.

The accompanying statements for 2006 and 2005 were adjusted to reflect the correct presentation of the items listed above.

GREENVILLE PUBLIC LIBRARY
DARKE COUNTY

SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2006-001, continued

The Clerk-Treasurer is employed by the bank the Library uses for the majority of its accounts. The Clerk-Treasurer is responsible for all accounting functions, which includes performing monthly bank reconciliations, which verifies that the monthly activity with the depositary is in agreement with the accounting system. The Trustees should review monthly bank statements and reconciliations and initial accordingly. As oversight it is important that the reconciled balances be compared to the financials statements and fund balances presented monthly.

To provide accurate annual financial reports, the Clerk-Treasurer should review postings each month and again at the end of the fiscal year to verify that all amounts are classified and posted properly for correct presentation. Cash and Investments should agree to reconciled balances of bank statements, certificates of deposit and investment balances.

Response: Fiscal Officer will work diligently to improve reporting and classification of transactions.

GREENVILLE PUBLIC LIBRARY
 DARKE COUNTY
 SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

FINDING NUMBER	FINDING SUMMARY	FULLY CORRECTED?	Not Corrected, Partially Corrected Significantly Different Corrective Action taken; of Finding no longer Valid; Explain:
2006-001	Financial Reporting: Improper postings to accounts	No	Not corrected; reissued as Finding number 2006-001



Mary Taylor, CPA
Auditor of State

GREENVILLE PUBLIC LIBRARY

DARKE 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 8, 2007**