

***NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Newcomerstown Public Library
123 East Main Street
Newcomerstown, Ohio 43832

We have reviewed the *Report of Independent Accountants* of the Newcomerstown Public Library, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 *Report of Independent Accountants* 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 *Report of Independent Accountants* 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 Newcomerstown Public Library is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 18, 2008

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**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2007 & 2006**

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Newcomerstown Public Library
Tuscarawas County
123 East Main Street
Newcomerstown, OH 43832-1036

To the Board of Trustees:

We have audited the accompanying financial statements of the Newcomerstown Public Library, Tuscarawas 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.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. 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, 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 of the Newcomerstown Public Library, Tuscarawas 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 aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 June 20, 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.

Charles E. Harris & Associates, Inc.

June 20, 2008

NEWCOMERSTOWN PUBLIC LIBRARY
Tuscarawas County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances - All Governmental Fund Types
For the Year Ended December 31, 2007

	Governmental Fund Types			Total Memorandum Only
	General	Debt Service	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$ 46,813	-	-	\$ 46,813
Other Government Grants-In-Aid	319,048	-	-	319,048
Patron Fines and Fees	10,228	-	-	10,228
Contributions, Gifts and Donations	230	-	-	230
Earnings on Investments	835	\$ 67	\$ 1,604	2,506
Refunds	1,043	-	-	1,043
Miscellaneous Revenue	4,219	-	-	4,219
Total Cash Receipts	382,416	67	1,604	384,087
Cash Disbursements:				
Current:				
Salaries	164,175	-	-	164,175
Employee Benefits	45,256	-	-	45,256
Purchased and Contractual Services	94,260	-	-	94,260
Library Materials and Information	63,057	-	-	63,057
Supplies	20,990	-	-	20,990
Miscellaneous	3,794	-	-	3,794
Capital Outlay	12,826	-	63,094	75,920
Debt Service:				
Redemption of Principal	-	10,000	-	10,000
Interest & Other Fiscal Charges	-	13,784	-	13,784
Total Cash Disbursements	404,358	23,784	63,094	491,236
Total Cash Receipts Over/(Under) Cash Disbursements	(21,942)	(23,717)	(61,490)	(107,149)
Other Financing Sources (Uses):				
Sale of Fixed Asset	655	-	-	655
Transfers-In	-	24,300	-	24,300
Transfers-Out	(24,300)	-	-	(24,300)
Total Other Financing Sources (Uses)	(23,645)	24,300	-	655
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Uses	(45,587)	583	(61,490)	(106,494)
Fund Cash Balance, January 1	157,016	8,424	67,763	233,203
Fund Cash Balance, December 31	\$ 111,429	\$ 9,007	\$ 6,273	\$ 126,709

See accompanying Notes to the Financial Statements.

NEWCOMERSTOWN PUBLIC LIBRARY
Tuscarawas County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances - All Governmental Fund Types
For the Year Ended December 31, 2006

	Governmental Fund Types			Total Memorandum Only
	General	Debt Service	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$ 48,054	-	-	\$ 48,054
Other Government Grants-In-Aid	317,015	-	-	317,015
Patron Fines and Fees	9,173	-	-	9,173
Contributions, Gifts and Donations	17,784	-	-	17,784
Earnings on Investments	988	\$ 124	\$ 1,687	2,799
Rental	9,000	-	-	9,000
Refunds	406	-	-	406
Miscellaneous Revenue	2,433	-	-	2,433
Total Cash Receipts	404,853	124	1,687	406,664
Cash Disbursements:				
Current:				
Salaries	153,288	-	-	153,288
Employee Benefits	42,845	-	-	42,845
Purchased and Contractual Services	56,736	-	-	56,736
Library Materials and Information	50,459	-	-	50,459
Supplies	9,676	-	-	9,676
Miscellaneous	7,128	-	-	7,128
Capital Outlay	23,094	-	4,630	27,724
Debt Service:				
Redemption of Principal	-	19,600	-	19,600
Interest & Other Fiscal Charges	-	14,644	-	14,644
Total Cash Disbursements	343,226	34,244	4,630	382,100
Total Cash Receipts Over/(Under) Cash Disbursements	61,627	(34,120)	(2,943)	24,564
Other Financing Sources (Uses):				
Sale of Fixed Asset	438	-	-	438
Transfers-In	-	24,300	-	24,300
Transfers-Out	(24,300)	-	-	(24,300)
Total Other Financing Sources (Uses)	(23,862)	24,300	-	438
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Uses	37,765	(9,820)	(2,943)	25,002
Fund Cash Balance, January 1	119,251	18,244	70,706	208,201
Fund Cash Balance, December 31	\$ 157,016	\$ 8,424	\$ 67,763	\$ 233,203

See accompanying Notes to the Financial Statements.

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Newcomerstown Public Library, Tuscarawas County, Ohio, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A seven-member Board of Trustees appointed by the Newcomerstown Exempted Village School District directs the Library. The Library is a school district public library, which exists for the purpose of providing various library services to the area residents.

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 disbursement 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.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH AND INVESTMENTS

Investments are included in the fund cash balances. 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.

D. FUND ACCOUNTING

The Library maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The General Fund is the general operating fund of the Library. It is used to account for all financial resources, except those required by law or contract to be accounted for in another fund.

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. FUND ACCOUNTING – (Continued)

Governmental Fund Types: (Continued)

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds: To account for the proceeds of specific revenue sources that are restricted for the acquisition or construction of major capital projects. In 1999, the Library started a Building and Repair Fund for the construction of a new library.

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

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

G. UNPAID VACATION AND SICK LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities on the accompanying financial statements.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2007 and 2006**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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, 2007 and 2006 is \$126,709 and \$233,203 respectively.

Deposits and investments are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Library; or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 400,538	\$ 383,071	\$ (17,467)
Debt Service	24,301	24,367	66
Capital Projects	-	1,604	1,604
Total	\$ 424,839	\$ 409,042	\$ (15,797)

2007 Appropriations vs. Actual Expenditures			
Fund Type	Appropriations	Actual Expenditures	Variance
General	\$ 557,554	\$ 428,658	\$ 128,896
Debt Service	32,725	23,784	8,941
Capital Projects	67,763	63,094	4,669
Total	\$ 658,042	\$ 515,536	\$ 142,506

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 405,291	\$ 405,291	\$ -
Debt Service	24,424	24,424	-
Capital Projects	1,687	1,687	-
Total	\$ 431,402	\$ 431,402	\$ -

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2007 and 2006**

3. BUDGETARY ACTIVITY – (Continued)

2006 Appropriations vs. Actual Expenditures			
Fund Type	Appropriations	Actual Expenditures	Variance
General	\$ 486,328	\$ 367,526	\$ 118,802
Debt Service	42,545	34,244	8,301
Capital Projects	70,705	4,630	66,075
Total	\$ 599,578	\$ 406,400	\$ 193,178

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

Settled Claims have not been exceeded this commercial coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

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 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.

6. DEBT

Newcomerstown Public Library received a Rural Development loan from the United States Department of Agriculture on November 15, 2000. Library facilities notes were issued in the amount of \$350,000, with 4.75% interest.

The outstanding balance of the notes as of December 31, 2007 was \$278,700. Principal and interest requirements to retire the notes are as follows:

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2007 and 2006**

6. DEBT (continued)

<u>Due 11/1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 10,500	\$ 13,714	\$ 24,214
2009	11,000	13,215	24,215
2010	11,600	12,692	24,292
2011	12,000	12,141	24,141
2012	12,700	11,571	24,271
2013-2017	72,800	48,245	121,045
2018-2022	91,800	29,232	121,032
2023-2025	56,300	6,393	62,693
Total	<u>\$ 278,700</u>	<u>\$ 147,203</u>	<u>\$ 425,903</u>

7. 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 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 buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based upon any additional revenues the Library receives. These receipts are classified as Other Government Grants-in-Aid.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants-In-Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, 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.

Tangible personal property tax is assessed on the property owners, who must file a list of such 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.

8. CONTINGENT LIABILITIES

The Library's management believes there are no pending claims or lawsuits.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Newcomerstown Public Library
Tuscarawas County
123 East Main Street
Newcomerstown, OH 43832-1036

To the Board of Trustees:

We have audited the financial statements of Newcomerstown Public Library, Tuscarawas County, (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 20, 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 the purpose of expressing our opinion on the financial statements, but not for expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion 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 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 certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: NPL-2007-001 and NPL-2007-002.

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. However, we believe the significant deficiencies described above to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed one instance of noncompliance is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item NPL-2007-002.

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

We also noted certain matters that we reported to the Library's management in a separate letter dated June 20, 2008.

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

Charles E. Harris & Associates, Inc.
June 20, 2008

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2007 and 2006**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER NPL – 2007 – 001

Material Weakness

Financial Reporting

As a result of the audit procedures performed, errors were noted in the financial statements that required material audit adjustments. For fiscal year 2007, \$13,685 in the General Fund was posted to transfers-out. These were reclassified to \$600 in capital outlay and \$13,085 to purchased and contractual services. Also, in fiscal year 2007 \$3,094 was posted to transfers-out in the Capital Project Fund instead of capital outlay which were reclassified. In fiscal year 2006, \$13,178 in the General Fund was posted to transfers-out. These were reclassified to \$9,760 to capital outlay, \$2,904 to purchased and contractual services and \$514 to supplies. Also, in fiscal year 2006 \$10,000 in the Debt Service Fund was posted to transfers-out instead of debt service – redemption of principal for their USDA Loan which were reclassified. Transfer accounts are for the transfer of money between funds.

Sound financial reporting is the responsibility of the Clerk-Treasurer and the Library Board of Trustees 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 annual report by the Board of Trustees and Library Director to identify and correct errors and omissions.

Officials Response

The procedure of paying expenditures out of the transfer-out account will be corrected. In 2008, any expenditures charged to a transfer-out account will be reclassified to their correct line item.

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS – (continued)
December 31, 2007 and 2006**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>

FINDING NUMBER NPL – 2007 – 002

Non-compliance Citation and Material Weakness

Ohio Revised Code Sections 9.10, “facsimile signature” includes, but is not limited to, the reproduction of any authorized signature by a copper plate or by a photographic, photostatic, or mechanical devise, but does not authorize the use of a rubber stamp signature by the official or authorized employee on the face of any instrument mentioned in Ohio Revised Code Section 9.11. Ohio Revised Code Section 9.11 sets out affixing of signatures on any check, draft, warrant, voucher, or other instrument for the payment of money.

During our disbursement testing, we found that the majority of cancelled checks were signed using a rubber stamp for both the Clerk-Treasurer and a Board of Trustee member. We then scanned numerous other cancelled checks, and found the same rubber stamped signatures on a majority of the checks. This practice could result in disbursements being made without proper authority.

Checks requiring manual signatures are generally subject to more careful scrutiny and thereby cash is controlled more closely. We recommend that manual signatures be used on all checks and signed by the Clerk-Treasurer and at least one Board member.

Officials Response

Starting as of the end of June, 2008, all checks will be signed by hand.

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY
December 31, 2007 and 2006**

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the years ending December 31, 2005 and 2004, reported no material citations or recommendations.



Mary Taylor, CPA
Auditor of State

NEWCOMERSTOWN PUBLIC LIBRARY

TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 31, 2008**