

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

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2004 AND 2003**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Tuscarawas County Public Library  
121 Fair Ave. NW  
New Philadelphia, OH 44663

We have reviewed the *Independent Auditors' Report* of the Tuscarawas County Public Library, prepared by Willoughby & Company, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 Auditors' 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 Auditors' 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 Tuscarawas County Public Library is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 14, 2005

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

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# WILLOUGHBY & COMPANY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

September 16, 2005

Board of Trustees  
Tuscarawas County Public Library  
Tuscarawas County, Ohio  
121 Fair Avenue, NW  
New Philadelphia, Ohio 44663

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 a February 2, 2005 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 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.

*Willoughby & Company, Inc.*

Willoughby & Company, Inc. - Certified Public Accountants



# WILLOUGHBY & COMPANY, INC.

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## INDEPENDENT AUDITORS' REPORT

September 16, 2005

Board of Trustees  
Tuscarawas County Public Library  
Tuscarawas County, Ohio  
121 Fair Avenue, NW  
New Philadelphia, Ohio 44663

To the Board of Trustees:

We have audited the accompanying financial statements of Tuscarawas County Public Library, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2004 and 2003. 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.

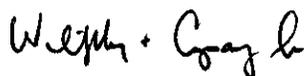
Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 year ended December 31, 2004 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, 2004, 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 Tuscarawas County Public Library, Tuscarawas County, Ohio, as of December 31, 2004 and 2003, 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 year ended December 31, 2004. 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 16, 2005, 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 and audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in accessing the results of our audit.



Willoughby & Company, Inc. - Certified Public Accountants

TUSCARAWAS COUNTY 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, 2004

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
<b>Cash Receipts:</b>						
Taxes and grants-in-aids	\$ 1,823,271	\$ -	\$151,450	-	\$ -	\$ 1,974,721
Patron fines and fees	38,391	-	-	-	-	38,391
Earnings on investments	13,899	-	-	-	-	13,899
Contributions, gifts, and donations	6,496	-	-	-	20,897	27,393
Miscellaneous	61	-	-	-	-	61
Total Cash Receipts	<u>1,882,118</u>	<u>-</u>	<u>151,450</u>	<u>-</u>	<u>20,897</u>	<u>2,054,465</u>
<b>Cash Disbursements:</b>						
Current:						
Salaries and benefits	1,385,072	-	-	-	-	1,385,072
Supplies	43,554	-	-	-	-	43,554
Purchased and contract services	151,000	-	2,740	-	-	153,740
Library materials and information	180,128	-	-	-	-	180,128
Other objects	64,748	-	-	-	-	64,748
Debt Service:						
Redemption of principal	-	-	85,000	-	-	85,000
Interest and Fiscal Charges	-	-	58,650	-	-	58,650
Capital Outlay	7,682	-	-	29,272	-	36,954
Total Cash Disbursements	<u>1,832,184</u>	<u>-</u>	<u>146,390</u>	<u>29,272</u>	<u>-</u>	<u>2,007,846</u>
Total Receipts Over/(Under) Disbursements	49,934	-	5,060	(29,272)	20,897	46,619
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In	-	-	-	164,577	-	164,577
Transfers-Out	(164,577)	-	-	-	-	(164,577)
Total Other Financing Receipts/(Disbursements)	<u>(164,577)</u>	<u>-</u>	<u>-</u>	<u>164,577</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(114,643)	-	5,060	135,305	20,897	46,619
Fund Cash Balances, January 1	<u>176,174</u>	<u>120,736</u>	<u>58,922</u>	<u>287,330</u>	<u>142,212</u>	<u>785,374</u>
Fund Cash Balances, December 31	<u>\$ 61,531</u>	<u>\$ 120,736</u>	<u>\$ 63,982</u>	<u>\$ 422,635</u>	<u>\$ 163,109</u>	<u>\$ 831,993</u>

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

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

**STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Fiduciary Fund Type
	<u>Nonexpendable Trust</u>
<b>CASH RECEIPTS:</b>	
Miscellaneous	\$ <u>0</u>
Total Cash Receipts	0
Fund Cash Balances, January 1, 2004	<u>485</u>
Fund Cash Balances, December 31, 2004	<u>\$ 485</u>

The accompanying notes are an integral part of these financial statements.

TUSCARAWAS COUNTY 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, 2003**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Funds	
<b>Cash Receipts:</b>						
Taxes and grants-in-aids	\$ 1,811,717	\$ -	\$ 147,809	-	\$ -	\$ 1,959,526
Patron fines and fees	36,781	-	-	-	-	36,781
Earnings on Investments	8,963	-	-	-	-	8,963
Contributions, gifts, and donations	417	-	-	-	85	502
Miscellaneous	76	-	-	-	-	76
<b>Total Cash Receipts</b>	<u>1,857,954</u>	<u>-</u>	<u>147,809</u>	<u>-</u>	<u>85</u>	<u>2,005,848</u>
<b>Cash Disbursements:</b>						
Current:						
Salaries and benefits	1,379,261	-	-	-	-	1,379,261
Supplies	34,533	-	-	-	-	34,533
Purchased and contract services	158,178	-	2,650	-	-	160,828
Library materials and information	84,205	-	-	-	-	84,205
Other objects	40,095	1,964	-	-	-	42,059
Debt Service:						
Redemption of principal	-	-	80,000	-	-	80,000
Interest and Fiscal Charges	-	-	64,170	-	-	64,170
Capital Outlay	10,197	-	-	2,872	-	13,069
<b>Total Cash Disbursements</b>	<u>1,706,469</u>	<u>1,964</u>	<u>146,820</u>	<u>2,872</u>	<u>-</u>	<u>1,858,125</u>
Total Receipts Over/(Under) Disbursements	151,485	(1,964)	989	(2,872)	85	147,723
<b>Other Financing Receipts/(Disbursements):</b>						
Transfers-In	-	-	-	-	-	-
Transfers-Out	-	-	-	-	-	-
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	151,485	(1,964)	989	(2,872)	85	147,723
Fund Cash Balances, January 1	24,689	122,700	57,933	290,202	142,127	637,651
<b>Fund Cash Balances, December 31</b>	<u>\$ 176,174</u>	<u>\$ 120,736</u>	<u>\$ 58,922</u>	<u>\$ 287,330</u>	<u>\$ 142,212</u>	<u>\$ 785,374</u>

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

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

**STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Fiduciary Fund Type
	Nonexpendable Trust
<b>CASH RECEIPTS:</b>	
Miscellaneous	\$ <u>0</u>
Total Cash Receipts	0
Fund Cash Balances, January 1, 2003	<u>485</u>
Fund Cash Balances, December 31, 2003	<u>\$ 485</u>

The accompanying notes are an integral part of these financial statements.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

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**NOTE 1: Summary of Significant Accounting Policies**

**Description of the Entity**

Tuscarawas County 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. The Library operates under the direction of a seven-member Board of Trustees appointed by the Common Pleas Judge and the Board of County Commissioners. 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.

**Basis of Accounting**

These financial statements were prepared on the cash basis of accounting which is prescribed or permitted by the Auditor of State and which is a comprehensive basis of accounting other than generally accepted accounting principles. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

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

**Cash and Investments**

The Library's accounting basis includes investments as assets. Accordingly, the Library does not record investment purchases as disbursements or investment sales as receipts. The Library records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposit and money market accounts at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library accounted for Bookmobile transactions as the only Special Revenue Fund.

**Bookmobile Purchase Fund**

This fund accounts for the accumulation of funds from General Fund sources for the purpose of purchasing a bookmobile.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

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**NOTE 1: Summary of Significant Accounting Policies (continued)**

**Debt Service Funds**

This fund is used to accumulate resources for the payment of bond and note indebtedness. The Library had the following significant debt service fund:

**Bond Retirement Fund**

This fund accounts for the payment of bond indebtedness relating to the Library's 1991 addition to the main branch's facility.

**Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

**Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

**T.W. Hoernemann Fund**

This fund was developed to account for donations made for library operations.

**Memorial Fund**

This fund was developed to account for bequests and memorials established to benefit the library.

**James S. Patrick Memorial Fund**

This fund was developed to account for donations made in honor of former board member, James S. Patrick, and is to be used to benefit the library.

**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 2004 and 2003 budgetary activity appears in Note 3.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**NOTE 1: Summary of Significant Accounting Policies (continued)**

**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.

**Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

**NOTE 2: Equity in Pooled Cash and Investments**

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

	<u>2004</u>	<u>2003</u>
Demand deposits	\$ 62,753	\$ 29,574
Cash on hand	622	422
Money market	305,292	0
STAR Ohio	60,641	755,863
Certificates of Deposit	<u>403,170</u>	<u>0</u>
Total deposits and investments	<u>\$832,478</u>	<u>\$785,859</u>

**Deposits**

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

At December 31, 2004, the carrying amount of the Library's deposits was \$465,923 and the bank balance was \$509,288. Of the bank balance \$501,347 was covered by federal depository insurance or other collateral and \$7,941 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Library to a successful claim by the FDIC. At December 31, 2003, all amounts were insured and collateralized.

**Investments**

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

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**NOTE 3: Budgetary Activity**

Budgetary activity for the years ended December 31, 2004 and 2003 was as follows:

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,729,112	\$1,882,118	\$153,006
Special Revenue	0	0	0
Debt Service	139,000	151,450	12,450
Capital Projects	0	0	0
Fiduciary	<u>0</u>	<u>20,897</u>	<u>20,897</u>
Total	<u>\$ 1,868,112</u>	<u>\$2,054,465</u>	<u>\$186,353</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$2,019,221	\$1,832,184	\$ 187,037
Special Revenue	122,700	0	122,700
Debt Service	197,934	146,390	51,544
Capital Projects	290,202	29,272	260,930
Fiduciary	<u>142,611</u>	<u>0</u>	<u>142,611</u>
Total	<u>\$ 2,772,668</u>	<u>\$2,007,846</u>	<u>\$ 764,822</u>

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$1,995,490	\$1,857,954	\$(137,536)
Special Revenue	0	0	0
Debt Service	140,000	147,809	7,809
Capital Projects	0	0	0
Fiduciary	<u>0</u>	<u>85</u>	<u>85</u>
Total	<u>\$ 2,135,490</u>	<u>\$2,005,848</u>	<u>\$(129,642)</u>

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**NOTE 3: Budgetary Activity (continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,900,255	\$1,706,469	\$ 193,786
Special Revenue	120,736	1,964	118,772
Debt Service	196,922	146,820	50,102
Capital Projects	287,330	2,872	284,458
Fiduciary	<u>142,697</u>	<u>0</u>	<u>142,697</u>
 Total	 <u>\$ 2,647,940</u>	 <u>\$1,858,125</u>	 <u>\$ 789,815</u>

**NOTE 4: Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. 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 Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due in February. The second half payment is due the following July.

Public utilities are also taxed on personal and real property located with the County.

Tangible personal property tax is assessed by 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.

**NOTE 5: 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.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**NOTE 6: Budgetary Activity (continued)**

**Debt**

Debt outstanding at December 31, 2004 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1991 Library Improvement Bonds	<u>\$765,000</u>	6.36%

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31</u>	<u>General Obligation Note</u>
2005	\$ 142,785
2006	141,575
2007	140,020
2008	143,120
2009	140,530
2010-2011	<u>281,565</u>
Total	<u>\$ 989,595</u>

**NOTE 7: Retirement Systems**

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement health care and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004 and 2003 PERS members contributed 8.5% of their gross salaries. The Library contributed an equal amount to 13.55% of participants' gross salaries for 2004 and 2003. The Library has paid all contributions required through December 31, 2004 and 2003.

**NOTE 8: Risk Management**

The Library has obtained commercial insurance for the following risks:

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

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



# WILLOUGHBY & COMPANY, INC.

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

September 16, 2005

Board of Trustees  
Tuscarawas County Public Library  
Tuscarawas County, Ohio  
121 Fair Avenue, NW  
New Philadelphia, Ohio 44663

To the Board of Trustees:

We have audited the financial statements of Tuscarawas County Public Library, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 16, 2005, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

Willoughby & Company, Inc. - Certified Public Accountants





**Auditor of State  
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**TUSCARAWAS COUNTY 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  
DECEMBER 27, 2005**