

NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
REPORT ON AUDITS OF
FINANCIAL STATEMENTS
JANUARY 1, 1999 -
DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Trustees
Newcomerstown Public Library
123 North Bridge Street
Newcomerstown, Ohio 43832

We have reviewed the Independent Auditor's Report of the Newcomerstown Public Library, Tuscarawas County, prepared by Tope & Willoughby, Inc., for the audit period January 1, 1999 through December 31, 2000. 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 Newcomerstown Public Library is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 12, 2001

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NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
REPORT ON AUDITS OF
FINANCIAL STATEMENTS
JANUARY 1, 1999 -
DECEMBER 31, 2000

FISCAL YEARS AUDITED UNDER
GAGAS: 1999/2000

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NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY, OHIO
123 North Bridge Street
Newcomerstown, Ohio 43832

APPOINTED OFFICIALS
AS OF DECEMBER 31, 2000

| <u>NAME</u> | <u>TITLE</u> | <u>TERM OF OFFICE</u> | <u>SURETY</u> | <u>AMOUNT</u> | <u>PERIOD</u> |
|---------------------------------|--------------------|---|---------------|---------------|---------------|
| <u>Board of Trustees</u> | | | | | |
| Rachel Ann Sindlinger | President | 07/01/98-12/31/05 | | | |
| Shirley Osler | Vice- President | 01/01/97-12/31/01 | | | |
| Dennis Belle | Secretary | 01/01/00-12/31/06 | | | |
| John C. Ourant | Member | 01/01/94-12/31/00 | | | |
| Thomas R. Little | Member | 02/01/98-12/31/02 | | | |
| Annabelle Stocker | Member | 12/01/98-12/31/03 | | | |
| Weldon Little | Member | 02/01/97-12/31/04 | | | |
| <u>Administrative Personnel</u> | | | | | |
| Linda K. Hren | Librarian | 01/01/99-12/31/00 Organizational Meeting | | | |
| Karen S. Morrison | Clerk | 01/01/99-12/31/00 Organizational Meeting | (A) | \$5,000 | (B) |

STATUTORY LEGAL COUNSEL

Amanda Spies-Bornhorst
Prosecuting Attorney
Tuscarawas County Courthouse
125 East High Avenue
New Philadelphia, Ohio 44663

(A) State Auto Insurance Companies

(B) Covers term



TOPE & WILLOUGHBY, INC.

Certified Public Accountants

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

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

November 14, 2001

Board of Trustees
Newcomerstown Public Library
Tuscarawas County, Ohio
123 North Bridge Street
Newcomerstown, Ohio 43832

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Newcomerstown Public Library, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Newcomerstown Public Library, Tuscarawas County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated November 14, 2001, on our consideration of the Library's internal control structure and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

TOPE & WILLOUGHBY, INC. - Certified Public Accountants

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

| | Government Fund Types | | | Fiduciary | (Memorandum |
|---|-----------------------|---------------------|-----------------|---------------------|-------------------|
| | General | Capital Projects | Debt Service | Expendable Trust | Only) Total |
| CASH RECEIPTS: | | | | | |
| Taxes | \$ 307,029 | \$ 0 | \$ 0 | \$ 0 | \$ 307,029 |
| Federal Grants-In-Aid | 0 | 79,000 | 0 | 0 | 79,000 |
| State Grants-In-Aid | 22,523 | 240,885 | 0 | 0 | 263,408 |
| Patron fines and fees | 5,439 | 0 | 0 | 0 | 5,439 |
| Earnings on investments | 846 | 19,051 | 1 | 5,721 | 25,619 |
| Contributions, gifts, and donations | 125 | 51,625 | 0 | 0 | 51,750 |
| Miscellaneous | 4,339 | 0 | 0 | 0 | 4,339 |
| Total cash receipts | <u>340,301</u> | <u>390,561</u> | <u>1</u> | <u>5,721</u> | <u>736,584</u> |
| CASH DISBURSEMENTS: | | | | | |
| Salaries and benefits | 151,888 | 0 | 0 | 0 | 151,888 |
| Supplies | 6,196 | 0 | 0 | 0 | 6,196 |
| Purchased & contracted services | 36,718 | 79,267 | 0 | 0 | 115,985 |
| Library materials & information | 43,789 | 0 | 0 | 0 | 43,789 |
| Capital outlay | 35,613 | 928,121 | 0 | 0 | 963,734 |
| Other objects | 7,339 | 600 | 0 | 0 | 7,939 |
| Total cash disbursements | <u>281,543</u> | <u>1,007,988</u> | <u>0</u> | <u>0</u> | <u>1,289,531</u> |
| Total cash receipts over/(under)cash disbursements | 58,758 | (617,427) | 1 | 5,721 | (552,947) |
| OTHER FINANCING RECEIPTS: | | | | | |
| Sale of fixed assets | 56 | 0 | 0 | 0 | 56 |
| Proceeds of notes | 0 | 350,000 | 0 | 0 | 350,000 |
| Transfers in | 0 | 495 | 4,050 | 0 | 4,545 |
| Transfers out | (4,545) | 0 | 0 | 0 | (4,545) |
| Total other financing receipts (disbursements) | <u>(4,489)</u> | <u>350,495</u> | <u>4,050</u> | <u>0</u> | <u>350,056</u> |
| Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements | 54,269 | (266,932) | 4,051 | 5,721 | (202,891) |
| Fund cash balances, January 1, 2000 | <u>93,552</u> | <u>569,729</u> | <u>0</u> | <u>114,143</u> | <u>777,424</u> |
| Fund cash balances, December 31, 2000 | <u>\$ 147,821</u> | <u>\$ 302,797</u> | <u>\$ 4,051</u> | <u>\$ 119,864</u> | <u>\$ 574,533</u> |

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

| | Government Fund Types | | | Fiduciary | (Memorandum |
|---|-----------------------|---------------------|-----------------|---------------------|-------------------|
| | General | Capital Projects | Debt Service | Expendable Trust | Only) Total |
| CASH RECEIPTS: | | | | | |
| Taxes | \$ 289,687 | \$ 0 | \$ 0 | \$ 0 | \$ 289,687 |
| Federal Grants-In-Aid | 0 | 0 | 0 | 0 | 0 |
| State Grants-In-Aid | 4,037 | 107,060 | 0 | 0 | 111,097 |
| Patron fines and fees | 5,454 | 0 | 0 | 0 | 5,454 |
| Earnings on investments | 23,413 | 3,382 | 0 | 1,114 | 27,909 |
| Contributions, gifts, and donations | 2,466 | 1,655 | 0 | 0 | 4,121 |
| Miscellaneous | <u>2,892</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,892</u> |
| Total cash receipts | <u>327,949</u> | <u>112,097</u> | <u>0</u> | <u>1,114</u> | <u>441,160</u> |
| CASH DISBURSEMENTS: | | | | | |
| Salaries and benefits | 134,602 | 0 | 0 | 0 | 134,602 |
| Supplies | 12,654 | 0 | 0 | 0 | 12,654 |
| Purchased & contracted services | 95,281 | 0 | 0 | 0 | 95,281 |
| Library materials & information | 37,377 | 0 | 0 | 0 | 37,377 |
| Capital outlay | 3,390 | 0 | 0 | 0 | 3,390 |
| Other objects | <u>8,779</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8,779</u> |
| Total cash disbursements | <u>292,083</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>292,083</u> |
| Total cash receipts over/(under)cash disbursements | 35,866 | 112,097 | 0 | 1,114 | 149,077 |
| OTHER FINANCING RECEIPTS: | | | | | |
| Sale of fixed assets | 0 | 0 | 0 | 0 | 0 |
| Proceeds of notes | 0 | 0 | 0 | 0 | 0 |
| Transfers in | 0 | 457,632 | 0 | 3,410 | 461,042 |
| Transfers out | <u>(461,042)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(461,042)</u> |
| Total other financing receipts (disbursements) | <u>(461,042)</u> | <u>457,632</u> | <u>0</u> | <u>3,410</u> | <u>0</u> |
| Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements | (425,176) | 569,729 | 0 | 4,524 | 149,077 |
| Fund cash balances, January 1, 1999 | <u>518,728</u> | <u>0</u> | <u>0</u> | <u>109,619</u> | <u>628,347</u> |
| Fund cash balances, December 31, 1999 | <u>\$ 93,552</u> | <u>\$ 569,729</u> | <u>\$ 0</u> | <u>\$ 114,143</u> | <u>\$ 777,424</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

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

Description of the Entity

Newcomerstown Public Library (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 is directed by a seven-member Board of Trustees (Board) who are appointed by the Newcomerstown Exempted Village School District's Board of Education. 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.

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.

Fund Accounting

The Library uses fund accounting to segregate cash that is 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.

Capital Project Fund

These funds are used to account for receipts and disbursements that are restricted for the acquisition or construction of a major capital project. During 1999, the Library started a Building and Repair Fund in order to construct a new library.

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.

Fiduciary Fund (Trust Fund)

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's only fiduciary fund is the Bonnet Endowment Fund, an expendable trust fund in which the principal and interest are to be used for any capital project.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

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

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 under the cash basis of accounting used by the Library.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

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. The carrying amount of cash at December 31 was as follows:

| | <u>2000</u> | <u>1999</u> |
|--------------------------------|------------------|------------------|
| Demand deposits | \$564,333 | \$767,424 |
| Donated Stock Certificates | <u>10,000</u> | <u>10,000</u> |
| Total deposits and investments | <u>\$574,333</u> | <u>\$777,424</u> |

Deposits

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

NOTE 3: **Budgetary Activity**

Budgetary activity for the years ended December 31, 2000 and 1999 were as follows:

2000 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|--------------------------|------------------------|----------------------|
| General | \$1,259,329 | \$ 340,357 | \$ (918,972) |
| Capital Projects | 1,310,718 | 741,056 | (569,662) |
| Debt Service | 4,050 | 4,051 | 1 |
| Expendable Trust | <u>109,348</u> | <u>5,721</u> | <u>(103,627)</u> |
| Total | <u>\$2,683,445</u> | <u>\$1,091,185</u> | <u>\$ 1,592,260)</u> |

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|---------------------|
| General | \$1,259,329 | \$ 286,088 | \$ 973,241 |
| Capital Projects | 1,310,718 | 1,007,988 | 302,730 |
| Debt Services | 0 | 0 | 0 |
| Expendable Trust | <u>108,442</u> | <u>0</u> | <u>108,442</u> |
| Total | <u>\$2,678,489</u> | <u>\$1,294,076</u> | <u>\$ 1,384,413</u> |

1999 Budgeted vs. Actual Receipts

| <u>Fund Type</u> | <u>Budgeted Receipts</u> | <u>Actual Receipts</u> | <u>Variance</u> |
|------------------|--------------------------|------------------------|-----------------------|
| General | \$1,423,104 | \$ 327,949 | \$ (1,095,155) |
| Capital Projects | 1,074,200 | 569,729 | (504,471) |
| Debt Service | 0 | 0 | 0 |
| Expendable Trust | <u>99,619</u> | <u>4,524</u> | <u>(95,095)</u> |
| Total | <u>\$2,596,923</u> | <u>\$ 902,202</u> | <u>\$ (1,694,721)</u> |

1999 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Fund Type</u> | <u>Appropriation Authority</u> | <u>Budgetary Expenditures</u> | <u>Variance</u> |
|------------------|------------------------------------|-----------------------------------|--------------------|
| General | \$1,420,612 | \$ 753,125 | \$ 667,487 |
| Capital Projects | 1,074,200 | 0 | 1,074,200 |
| Debt Service | 0 | 0 | 0 |
| Expendable Trust | <u>99,619</u> | <u>0</u> | <u>99,619</u> |
| Total | <u>\$2,594,431</u> | <u>\$ 753,125</u> | <u>\$1,841,306</u> |

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 4: **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 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.

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 also reduced for the State, and are reflected in the accompanying financial statements as Grants-In-Aid. Payments are due to the County by 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 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 taxed on behalf of the Library.

The Library received a federal grant of \$79,000 during 2000 from the United States Department of Agriculture to be used for construction of a new library building.

NOTE 5: **Debt**

Debt outstanding at December 31, 2000 was as follows:

| | <u>Principal</u> | <u>Interest</u> <u>Rate</u> |
|-------------------------|-------------------|--------------------------------|
| Library Facilities Note | <u>\$ 350,000</u> | 4.75% |

The note was obtained in conjunction with the construction of a new library building. The note is due in 25 years. Principal and interest payments are to be made annually each year on November 1.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 6: **Retirement System**

The Library's full-time 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 2000 and 1999 PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries. The Library paid all contributions required for the year ended December 31, 2000, in January 2001.

NOTE 7: **Risk Management**

The Library has obtained commercial insurance from the Westfield Insurance Company and Republic-Franklin Insurance Company, respectively, for the following risks:

- Comprehensive property and general liability
- Errors and omissions



TOPE & WILLOUGHBY, INC.

Certified Public Accountants

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

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

November 14, 2001

Board of Trustees
Newcomerstown Public Library
Tuscarawas County, Ohio
123 North Bridge Street
Newcomerstown, Ohio 43832

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Newcomerstown Public Library, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated November 14, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Newcomerstown Public Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on 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 herein under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits, we considered Newcomerstown Public Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Tope & Willoughby, Inc.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

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
DECEMBER 20, 2001**