

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

JANUARY 1, 2001 -  
DECEMBER 31, 2001





**Auditor of State  
Betty Montgomery**

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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 Stephen A. Tope, CPA LLC, for the audit period January 1, 2001 to December 31, 2001. 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.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

February 3, 2003

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NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

JANUARY 1, 2001 -  
DECEMBER 31, 2001

FISCAL YEAR AUDITED UNDER  
GAGAS: 2001

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NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO  
123 East Main Street  
Newcomerstown, Ohio 43832

APPOINTED OFFICIALS  
AS OF DECEMBER 31, 2001

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<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			
Annabelle Stocker	Vice- President	12/10/98 - 12/31/03			
Dennis Belle	Secretary	01/01/00 - 12/31/06			
John C. Ourant	Member	01/01/01 - 12/31/04			
Thomas R. Little	Member	02/01/98 - 12/31/02			
Shirley Osler	Member	01/01/97 - 12/31/01			
Weldon Little	Member	02/01/97 - 12/31/04			
<u>Administrative Personnel</u>					
Linda K. Hren	Librarian	01/01/01 - 12/31/01 Organizational Meeting			
Karen S. Morrison	Clerk	01/01/01 - 12/31/01 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

November 12, 2002

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

### INDEPENDENT AUDITOR'S REPORT

I have audited the financial statements of Newcomerstown Public Library, Tuscarawas County, Ohio, (the Library) as of and for the year ended December 31, 2001. These financial statements are the responsibility of the Library's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit 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 I 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. I believe that my audit provides a reasonable basis for my 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 my 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, 2001, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued a report dated November 12, 2002, on my 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 my audit.

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.

STEPHEN A. TOPE, CPA LLC - Certified Public Accountant

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENT, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
AND SIMILAR FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Government Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>(Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	<u>Total</u>
<b>CASH RECEIPTS:</b>					
Taxes	\$ 42,799	\$ 0	\$ 0	\$ 0	\$ 42,799
Federal Grants-In-Aid	0	187,355	0	0	187,355
State Grants-In-Aid	354,230	0	0	0	354,230
Patron fines and fees	6,181	0	0	0	6,181
Earnings on investments	1,175	4,567	259	2,042	8,043
Contributions, gifts, and donations	18,285	75,541	0	0	93,826
Miscellaneous	<u>7,190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,190</u>
Total cash receipts	<u>429,860</u>	<u>267,463</u>	<u>259</u>	<u>2,042</u>	<u>699,624</u>
<b>CASH DISBURSEMENTS:</b>					
Salaries and benefits	172,011	0	0	0	172,011
Supplies	17,067	0	0	0	17,067
Purchased & contracted services	39,140	22,184	0	0	61,324
Library materials & information	54,749	0	0	0	54,749
Capital outlay	103,030	387,140	0	108,707	598,877
Debt service	0	0	23,385	0	23,385
Other objects	<u>3,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,294</u>
Total cash disbursements	<u>389,291</u>	<u>409,324</u>	<u>23,385</u>	<u>108,707</u>	<u>930,707</u>
Total cash receipts over/(under) cash disbursements	40,569	(141,861)	(23,126)	(106,665)	(231,083)
<b>OTHER FINANCING RECEIPTS:</b>					
Sale of fixed assets	1,537	0	0	0	1,537
Proceeds of notes	0	0	0	0	0
Transfers in	0	208,080	24,300	0	232,380
Transfers out	<u>(61,364)</u>	<u>(167,817)</u>	<u>0</u>	<u>(3,199)</u>	<u>(232,380)</u>
Total other financing receipts (disbursements)	<u>(59,827)</u>	<u>40,263</u>	<u>24,300</u>	<u>(3,199)</u>	<u>1,537</u>
Excess (deficit) of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(19,258)	(101,598)	1,174	(109,864)	(229,546)
Fund cash balances, January 1, 2001	<u>147,821</u>	<u>302,797</u>	<u>4,051</u>	<u>119,864</u>	<u>574,533</u>
Fund cash balances, December 31, 2001	<u>\$ 128,563</u>	<u>\$ 201,199</u>	<u>\$ 5,225</u>	<u>\$ 10,000</u>	<u>\$ 344,987</u>

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

STEPHEN A. TOPE, CPA LLC - Certified Public Accountant



NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

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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 nonexpendable 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.

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

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NOTE 1: Summary of Significant Accounting Policies (continued)

Budgetary Process

The Ohio Administrative 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 re-appropriated.

A summary of 2001 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.

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

NOTE 2: Equity in Pooled Cash and Investments

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

	<u>2001</u>
Demand deposits	\$ 334,987
Donated Stock Certificates	<u>10,000</u>
 Total deposits and investments	 <u>\$ 344,987</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 year ended December 31, 2001 was as follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 534,747	\$ 431,397	\$ (103,350)
Capital Projects	495,710	475,543	(20,167)
Debt Service	4,051	24,559	20,508
Expendable Trust	<u>110,534</u>	<u>2,042</u>	<u>(108,492)</u>
 Total	 <u>\$ 1,145,042</u>	 <u>\$ 933,541</u>	 <u>\$ (211,501)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 540,889	\$ 450,655	\$ 90,234
Capital Projects	665,499	577,141	88,358
Debt Services	27,629	23,385	4,244
Expendable Trust	<u>113,733</u>	<u>111,906</u>	<u>1,827</u>
 Total	 <u>\$ 1,347,750</u>	 <u>\$ 1,163,087</u>	 <u>\$ 184,663</u>

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

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 \$187,355 during 2001 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, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Library Facilities Note	<u>\$ 342,400</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 on November 1.

NEWCOMERSTOWN PUBLIC LIBRARY  
TUSCARAWAS COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001

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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 2001 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, 2001, in January 2002.

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

November 12, 2002

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

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

I have audited the financial statements of Newcomerstown Public Library, Tuscarawas County, Ohio, (the Library) as of and for the year ended December 31, 2001, and have issued my report thereon dated November 12, 2002. I conducted my audit 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Newcomerstown Public Library's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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. I noted no matters involving the internal control over financial reporting and its operation that I 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.

STEPHEN A. TOPE, CPA LLC - Certified Public Accountant



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
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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  
FEBRUARY 18, 2003**