

MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY

RICHLAND COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2007 and 2006

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



Mary Taylor, CPA

Auditor of State

Board of Trustees
Mansfield-Richland County Public Library
43 West Third Street
Mansfield, Ohio 44902

We have reviewed the *Report of Independent Accountants* of the Mansfield-Richland County Public Library, Richland 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 Mansfield-Richland County Public Library is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 18, 2008

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MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND COUNTY, OHIO
Audit Report
For the years ended December 31, 2007 and 2006

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

REPORT OF INDEPENDENT ACCOUNTANTS

Mansfield/Richland County Public Library
Mansfield County
43 West Third Street
Mansfield, OH 44902

To the Board of Trustees:

We have audited the accompanying financial statements of the Mansfield/Richland County Public Library (the Library), Richland County, Ohio, 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 *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 audit provides a reasonable basis for our opinion.

As discussed 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, 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 for 2007 and 2006, the revision requires presenting entity wide statements and also to present larger (i.e. major) funds separately for 2007 and 2006. While the Library does not follow GAAP, generally accepted auditing standards require 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 the Library does not use GAAP to measure its 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 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 and reserves for encumbrances of the Mansfield/Richland County Public Library, Richland County, Ohio, as of December 31, 2007 and 2006 and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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 March 21, 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. That report describes the scope of our testing of internal controls over financial reporting and compliance and the results of testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
March 21, 2008

MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY
RICHLAND COUNTY, OHIO
COMBINED STATEMENT OF 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	
Receipts:				
Property and Other Local taxes	\$ 3,503,520	\$ 1,138	-	\$ 3,504,658
Intergovernmental	4,810,148	-	-	4,810,148
Patrons, Fines and Fees	213,522	-	-	213,522
Contributions, Gifts and Donations	25,654	-	-	25,654
Investment Income	235,033	-	-	235,033
Miscellaneous	189,287	-	-	189,287
Total Receipts	8,977,164	1,138	-	8,978,302
Disbursements:				
Salaries	3,696,380	-	-	3,696,380
Employee Fringe Benefits	1,928,912	-	-	1,928,912
Purchased and Contracted Services	948,409	-	\$ 10,714	959,123
Library Materials and Informaton	1,171,857	-	19,490	1,191,347
Supplies	234,752	-	-	234,752
Other	30,764	-	-	30,764
Capital Outlay	60,796	-	156,402	217,198
Debt Service:				
Redemption of Principal	-	325,000	-	325,000
Interest and Other Fiscal Charges	-	47,983	-	47,983
Total Disbursements	8,071,870	372,983	186,606	8,631,459
Excess of Receipts Over/(Under) Disbursements	905,294	(371,845)	(186,606)	346,843
Other Financing Sources/(Uses):				
Transfers-In	-	-	380,000	380,000
Transfers-Out	(380,000)	-	-	(380,000)
Total Other Financing Sources/(Uses)	(380,000)	-	380,000	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	525,294	(371,845)	193,394	346,843
Fund Balance January 1, 2006	3,250,001	724,829	318,309	4,293,139
Fund Balance December 31, 2006	\$ 3,775,295	\$ 352,984	\$ 511,703	\$ 4,639,982
Reserve for Encumbrances, December 31	\$ 100,581	\$ -	\$ 14,633	\$ 115,214

See accompanying Notes to the Financial Statements.

MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY
RICHLAND COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2007

	<u>Governmental Fund Types</u>			Total - (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Receipts:				
Property and Other Local taxes	\$ 3,579,466	-	-	\$ 3,579,466
Intergovernmental	4,818,438	-	-	4,818,438
Patrons, Fines and Fees	210,162	-	-	210,162
Contributions, Gifts and Donations	21,389	-	-	21,389
Investment Income	269,833	-	-	269,833
Miscellaneous	150,281	-	-	150,281
Total Receipts	9,049,569	-	-	9,049,569
Disbursements:				
Salaries	3,896,350	-	-	3,896,350
Employee Fringe Benefits	2,101,573	-	-	2,101,573
Purchased and Contracted Services	945,170	-	\$ 44,672	989,842
Library Materials and Informaton	1,092,642	-	64,097	1,156,739
Supplies	223,229	-	-	223,229
Other	23,749	-	-	23,749
Capital Outlay	44,562	-	120,156	164,718
Debt Service:				
Redemption of Principal	-	\$ 325,000	-	325,000
Interest and Other Fiscal Changes	-	23,969	-	23,969
Total Disbursements	8,327,275	348,969	228,925	8,905,169
Excess of Receipts Over/(Under) Disbursements	722,294	(348,969)	(228,925)	144,400
Other Financing Sources/(Uses):				
Transfers-In	4,015	-	500,000	504,015
Transfers-Out	(500,000)	(4,015)	-	(504,015)
Total Other Financing Sources/(Uses)	(495,985)	(4,015)	500,000	-
Excess of Receipts & Other Financing Sources Over/(Under) Disbursements and Other Financing Uses	226,309	(352,984)	271,075	144,400
Fund Balance January 1, 2007	3,775,295	352,984	511,703	4,639,982
Fund Balance December 31, 2007	\$ 4,001,604	\$ -	\$ 782,778	\$ 4,784,382
Reserve for Encumbrances, December 31	\$ 134,077	\$ -	\$ 5,980	\$ 140,057

See accompanying Notes to the Financial Statements.

**MANSFIELD-RICHLAND COUNTY LIBRARY LIBRARY
RICHLAND 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

The Mansfield-Richland County Public Library, 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 Ohio. The Library is directed by a seven-member Board of Trustees; four are appointed by the Richland County Commissioners and three are appointed by the Richland County Common Pleas Court Judge. The Library provides educational, informational, cultural and social materials, current information services, and a facility conveniently located to meet the community's needs.

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

B. BASIS OF ACCOUNTING

The Library prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis 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

The Library holds interim demand deposits. Certificates of deposit are valued at cost. The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as cash disbursements and sales of investments are not recorded as cash receipts. Gains or losses at the time of sale are recorded as cash receipts or cash disbursements, respectively.

MANSFIELD-RICHLAND COUNTY LIBRARY LIBRARY
RICHLAND 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**

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 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.

Debt Service Fund: These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Library has the following debt service fund:

Bond Retirement Fund – The fund is used to pay Library debt relating to the expansion and improvement of the Library facilities.

Capital Project Funds: These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library has two capital projects funds, which are as follows:

Building Repair Fund – This fund is used to account for transfers from the General Fund and is used for construction and building repairs.

Technology Fund – This fund is used to account for transfers from the General Fund and is used for computer related services. In addition, this fund received a contribution from the Gates Foundation, which is also used for computer related purposes.

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.

**MANSFIELD-RICHLAND COUNTY LIBRARY LIBRARY
 RICHLAND COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2007 and 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E BUDGETARY PROCESS – (Continued)

A summary of 2007 and 2006 budgetary activities appears in Note 3.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. ACCUMULATED LEAVE

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

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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 investment pool at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	(\$103,018)	(\$287,856)
Repurchase Agreement	449,641	588,413
Savings Account	3,656,172	3,243,302
Certificate of deposit	0	350,000
STAR Ohio	781,287	742,923
Cash on Hand	<u>300</u>	<u>200</u>
Total Deposits and Investments	<u>\$4,784,382</u>	<u>\$ 4,639,982</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation; (2) collateralized by securities specifically pledged by the financial institution to the Library or (3) collateralized by the financial institution's public entity deposit pool.

The negative cash balances in 2007 and 2006 demand deposits were due to the Library investing in overnight repurchase agreements.

**MANSFIELD-RICHLAND COUNTY LIBRARY LIBRARY
 RICHLAND COUNTY, OHIO
 Notes to the Financial Statements
 For the Years Ended December 31, 2007 and 2006**

3. BUDGETARY ACTIVITY

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

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$9,130,187	\$8,961,352	\$168,835
Debt Service	375,000	352,984	22,016
Capital Projects	514,633	234,905	279,728
Total	<u>\$10,019,820</u>	<u>\$9,549,241</u>	<u>\$470,579</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$8,711,747	\$8,552,451	\$159,296
Debt Service	375,000	372,983	2,017
Capital Projects	682,351	201,239	481,112
Total	<u>\$9,769,098</u>	<u>\$9,126,673</u>	<u>\$642,425</u>

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public library 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 of any additional revenues the Library receives. The receipts are classified as Other Government Grants in Aid.

Real property taxes becomes 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 them paid by the State, and are reflected in the accompanying financial statements as Other Government 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 payments is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing Library.

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.

MANSFIELD-RICHLAND COUNTY LIBRARY LIBRARY
RICHLAND COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

5. RETIREMENT SYSTEM

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, 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 2007, OPERS members contributed 9.5% of their wages. The Library contributed an amount equal to 13.85% of participants' gross salaries in the year. For 2006, OPERS members contributed 9% of their wages. The Library contributed an amount equal to 13.70% of participants gross salaries. The Library has paid all contributions required through December 31, 2007.

6. RISK MANAGEMENT

The Library is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal years 2007 and 2006, the Library contracted with one insurance company for coverage of buildings and contents. The following is a list of insurance coverage of the Library:

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

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

There were no significant reductions in coverage from the prior year and claims have not exceeded insurance coverage in any of the past three years. The Library pays the State Workers' Compensation System a premium based on a rate of \$100 of salaries. This rate is based on accident history and administrative costs.

7. TRANSFERS

In 2007, the Library transferred \$500,000 from the General Fund to the Building and Repair Fund (\$100,000) and Technology Fund (\$400,000) to subsidize operations. Also, in 2007, the Bond Retirement Fund transferred the remaining fund balance of \$4,015 to the General Fund. In 2007, the General Fund transferred \$380,000 to the Building and Repair Fund to subsidize operations. The Library is not subject to the transfer requirements in sections 5705.14-16 of the Ohio Revised Code.

8. CONTINGENT LIABILITIES

Management believes there are no pending claims or lawsuits.

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**

Mansfield/Richland County Public Library
Richland County
43 West Third Street
Mansfield, OH 44902

To the Board of Trustees:

We have audited the financial statements of the Mansfield/Richland County Public Library, Richland County, Ohio (Library), as and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated May 21, 2008, wherein we noted that 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of 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 a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting practices the Auditor of State prescribes such that there is more than a remote likelihood that a misstatement of the Library's financial statements that is more than inconsequential will not be prevented or detected by the Library's internal control. We consider the deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting. The significant deficiency is described as item 2007-MRCPL-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Library's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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 or other matters that are required to be reported under *Government Auditing Standards*.

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

We also noted certain matters that we have reported to management of the Library in a separate letter dated March 21, 2008.

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

Charles E. Harris and Associates, Inc.

March 21, 2008

**MANSFIELD/RICHLAND COUNTY PUBLIC LIBRARY
RICHLAND 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 2007-MRCPL-01 – Material Weakness

Bank Reconciliations

A necessary step in the internal control over financial reporting is to prove both the balance of the bank and the balance of cash in the accounting records. A bank reconciliation means accounting for the differences between the balance on the bank statement(s) and the cash and investment balances according to the entity's records. This process involves reconciling the bank balance to the cash and investment balance. For 2006, the Library did not resolve various differences between the adjusted bank balance and the balance reflected within the Library's accounting records. The annual report for this year was filed with the Auditor of State with these unresolved differences.

Without complete and accurate monthly bank reconciliations, the Library's internal control is weakened, which could hinder the detection of errors or irregularities by the Library's management in a timely manner.

The Library hired an outside CPA firm in an attempt to reconcile the bank balance with their fund balances. The CPA firm and the Library was unable to locate the difference. Therefore, an immaterial adjustment was made to reconcile the bank balance and fund balance in the accompanying financial statements.

The Library should perform and complete monthly bank reconciliations in a timely manner. Also, a copy of each monthly bank reconciliation and the listing of outstanding checks should be filed in the bank activity folder along with the bank statements and supporting documents for the applicable month, and the Library Council should sign and date the bank reconciliations to indicate that they have been reviewed and approved.

Management agrees and will properly reconcile their bank accounts monthly.

**MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY
RICHLAND COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

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



Mary Taylor, CPA
Auditor of State

MANSFIELD-RICHLAND COUNTY DISTRICT LIBRARY

RICHLAND 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 1, 2008**