



**Auditor of State
Betty Montgomery**

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Summary of Significant Accounting Practices	4
Notes to the Financial Statements	5
Appendices	7
Report A: Statement of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis- General Fund	9
Report B: Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance Governmental Fund	10
Report C: Statement of Activities – Cash Basis.....	11
Report D: Statement of Cash Basis Assets and Fund Balance – Governmental Fund.....	12
Report E: Statement of Net Assets – Cash Basis.....	13
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	15
Schedule of Findings.....	17

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Wagnalls Memorial Library
Fairfield County
150 E. Columbus St.
P.O. Box 217
Lithopolis, OH 43136

To the Board of Trustees:

We have audited the accompanying financial statements of the Wagnalls Memorial Library, Fairfield County, Ohio (the "Library"), a not-for-profit corporation, as of and for the year ended December 31, 2004. 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 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 that our audit provides a reasonable basis for our opinion.

The Library was established by the Wagnalls Memorial Foundation (the "Foundation") which had significant control of the Library on December 31, 2004. Accounting principles generally accepted in the United States of America require the financial statements of the two organizations to be consolidated when one organization has control of another organization. However, the Library has elected not to consolidate its activities with the Foundation as of December 31, 2004, or present any disclosure regarding the close relationship between the two organizations. In our opinion, the accompanying financial statements are not in conformity with accounting principles generally accepted in the United States of America. We cannot reasonably determine the amounts the financial statements for the combined entities would present.

In addition, the Library did not prepare the financial statements in accordance with generally accepted accounting principles (GAAP) for not-for-profit organizations, which require such statements to be displayed in a certain manner. Although we cannot reasonably determine the effects on the financial statements of the variances between the statements as presented and GAAP, we presume they are material.

In our opinion, because of the effects of the matters 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 statements of the Library as December 31, 2004 and for the year then ended.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2006, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 27, 2006

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

This discussion and analysis of the Wagnalls Memorial Library's (further known as "the Library") financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2004, within the limitations of the Library's cash basis accounting. Readers should review the basic financial statements and notes to understand clearly the Library's financial performance.

Financial Highlights for the Year Ended 2004

1. 2004 was the first year the Library received public monies known as Library and Local Government Support Fund (LLGSF). The LLGSF is a specially earmarked fund providing Ohioans with greater access to the resources of public libraries, regardless of the size or location of the community.
2. Wagnalls Memorial Foundation (further known as "the Foundation") provided the Library donations totaling \$75,000. The donations were to be used in the following manner:
 - a. \$15,000 for Library materials
 - b. \$35,000 for operational costs
 - c. \$25,000 for Clerk-Treasurer 2004 salary and salaries/benefits with additional library hours
3. So the Library could operate each cash drawer at its three (3) desks, the Foundation gave a one-time donation of \$100.00 cash. This donation was placed in the following cash drawers:
 - a. \$25.00 for the Children's Desk
 - b. \$50.00 for the Circulation Desk (Main)
 - c. \$25.00 for the Reference Desk
4. The Library has one fund: the General Fund. The General Fund had \$352,375 in revenues and \$294,767 in disbursements for the year 2004.
5. The Library held \$40,000 in contingency at the end of December 31, 2004 to cover expenditures for the first quarter of the year 2005.

General Fund Budgeting

1. The Library's budget is prepared according to Ohio law and is based upon cash basis accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.
2. The Library's original budget for the year 2004 was based on a 2003 Library expense report from the Foundation.
3. There was no Foundation report for the year 2003 reflecting receipts for the Library.
4. With the Library's Board approval, the budget was reallocated in May and November of 2004 to bring actual receipts and actual expenses in line with the budget. This re-alignment of the budget provided for preparation of the 2005 LLGSF request.

Capital Outlay

The only Capital Outlay for the Library during 2004 was to set up an office for the new Clerk-Treasurer. A total of \$2,835 was disbursed from the General Fund to cover the expense of a printer, office supplies, accounting software, and credit card set-up since the Library had previously used the equipment owned by the Foundation.

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES
FOR THE YEAR ENDED DECEMBER 31, 2004**

This annual report is presented in a format consistent with the presentation requirements of the Government Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The Statement of Net Assets (*Report E – Appendix*) and The Statement of Activities (*Report C – Appendix*) provide information about the cash activities of the Library as a whole.

Fund financial statements (*Reports A, B and D – Appendix*) provide a greater level of detail.

The notes to the financial statement are an integral part of explaining the information in a more detail manner.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library elected to present its financial statement on a cash basis of accounting. The Library records its receipts and disbursements when cash is received or paid.

Cash and Cash Equivalents

The Library deposits and invests cash from all funds in a common pool. Interest from the NOW Account (checking account) totaled \$537 for the year 2004.

Reporting the Library as a Whole

The Statement of Net Assets (*Report E – Appendix*) and the Statement of Activities (*Report C – Appendix*) reflect how the Library did financially during 2004. The Statement of Net Assets (*Report E – Appendix*) presents the cash balances and investments of the governmental activities of the Library at year end. The Statement of Activities (*Report C – Appendix*) compares cash disbursements with program receipts. These report the Library's cash position and the changes in cash position. Increases or decreases in the Library's cash position are one indicator of whether the Library's financial stability is improving or deteriorating.

Defined Benefit Plan

Law covers all employees under Social Security and Medicare with contribution from both the employee and the employer.

Employees are eligible for a tax-sheltered savings plan under a 403(b) plan. The Library Board has authorized monthly payroll deductions for those employees eligible and desiring to participate in the Plan. Deferred Compensation allows an employee to reduce taxable income while setting aside savings for retirement. These funds are invested in a number of financial instruments at the direction of the employee.

The Library provides a match of 2.25% based on monthly gross wages.

Reporting the Library's Significant Fund

The Fund Financial Statements (*Reports A, B and D – Appendix*) provide detailed information about the Library's governmental operations and the basic services it provides. All of the Library's activities are reported in the general fund, a governmental fund.

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004**

All financial statements are located in the Appendix section of this Financial Report. *[see page 15 of this document]*

REPORT A:

Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – General Fund

1. Since 2004 was the Library's first time receiving LLGSF monies, the original budget was the assumed allocation for the year.
2. As LLGSF additional allocations became available, the Library received additional monies increasing the Library's budget line.
3. This report reflects the Library's management of its General Fund.
4. The report reflects good management of those funds when the reader reviews actual vs. budget.
5. The Library was able to monitor its disbursements to keep in line with budget and the monies allocated through the LLGSF.
6. Adjustments to the original budget occurred as the Library Board and Clerk-Treasurer saw the need to make necessary reallocations. The original budget was created using information provided by the Wagnalls Memorial Foundation from the Foundation's 2003 Library expense report.
7. Program receipts include charges paid by the recipient for the program goods or services. This type of receipt represents a very small amount of total receipts. The majority of the Library's receipts are from taxes (LLGSF). Such program receipts include fees charged for participating in Yoga or enrolling in computer classes or purchasing books at the Book Fair or Special Author visits.
8. General receipts are all receipts not classified as program receipts.
9. Contributions include one time donations made to the Library by the Foundation in the amount of \$75,000.
10. The Capital Outlay included equipment required to set up the office of the new Clerk-Treasurer. This included printer, office supplies, and accounting software. It also represents equipment required in accepting payments through a credit card.

REPORT B:

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Governmental Fund

1. Information services disbursements covered the Central Ohio Library Consortium (CLC) annual fees of which the Library is a member. This is a consortium of the following libraries: Fairfield County District Library, Grandview Heights Public Library, Marysville Public Library, Pickaway County District Library, Pickerington Public Library, Plain City Public Library, and Wagnalls Memorial Library.
2. Earnings on investment consist of NOW - checking account located at First Bremen Bank, Lancaster, Ohio, Fairfield County.
3. Disbursements for Salary and Benefits, Purchased and Contracted Services, and Public Service and Programs represent the overhead costs of operating the Library. The disbursements for support services cover the other Library activities and overhead to operate the Library. These include the costs of services such as payroll, purchasing, property maintenance, utilities, insurance, equipment leases, and business administration. These costs do not represent direct services to patrons.
4. Contributions include the one-time donations from the Foundation in the amount of \$75,000.
5. Facilities Operation and Maintenance is shared with the Foundation. The Library's responsibility is based on the amount of square footage the Library occupies which amounts to roughly 50% of the building. Thus, all utilities and property maintenance expenses are split with the Foundation at a rate of 50%.

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004
(Continued)**

REPORT B: (Continued)

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance – Governmental Fund (Continued)

6. 72% of the Library's monies were from LLGSF which indicates the importance of receiving governmental funds.
7. The Library holds liability property and liability insurance since the Library is exposed to various risks of loss: theft of, damage to and destruction of assets, errors and omission, injuries to employees and natural disasters. The Library contracts its insurance through Trimmer Insurance, Lancaster, Ohio, Fairfield County.

REPORT C:

Statement of Activities – Cash Basis

1. This report reflects how some of the Library's costs are subsidized with donations, contributions, and gifts and charges through participation fees, class fees, and patron fines.
2. Since 2004 was the first year for receiving LLGSF monies, the Library began as a new and separate entity which caused the Library to have zero (\$0.00) assets at the beginning of the year.

REPORT D:

Statement of Cash Basis Assets and Fund Balance – Governmental Fund

1. The \$40,000 investment carryover is located at the First Bremen Bank, Lancaster, Ohio. The purpose of the carryover was to serve as the Library's contingency fund into the next year to cover the first quarter expenses which includes payroll, benefits, payroll taxes, utilities, and other contracted services.
2. The Library has designated amounts for December employee hours which would be paid in January 2005.

REPORT E:

Statement of Net Assets – Cash Basis

1. Designated net assets include the Library's contingency fund or carryover into the next year so that payroll, benefits, payroll taxes, utilities and other mandatory purchases may be covered and includes funds designated to fund payroll expenses already incurred.

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**APPENDICES
DECEMBER 31, 2004**

Report A

Statement of Receipts, Disbursements and Changes in Fund Balance
Budget and Actual – Budget Basis – General Fund

Report B

Statement of Cash Receipts, Disbursements and Changes in Cash
Basis Fund Balance – Governmental Fund

Report C

Statement of Activities – Cash Basis

Report D

Statement of Cash Basis Assets and Fund Balance – Governmental Fund

Report E

Statement of Net Assets – Cash Basis

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Wagnalls Memorial Library, Fairfield County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the year ended december 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Governmental Grants-in-Aid	\$233,000	\$255,200	\$255,200	\$0
Intergovernmental	0	0	0	0
Patron Fines and Fees	5,876	10,174	10,549	375
Program Receipts	0	0	1,935	1,935
Services Provided to Others	0	0	0	0
Contributions, Gifts and Donations	4,700	95,041	81,463	(13,578)
Earnings on Investments	1,218	700	537	(163)
Miscellaneous	0	5,680	2,691	(2,989)
<i>Total receipts</i>	<u>244,794</u>	<u>366,795</u>	<u>352,375</u>	<u>(14,420)</u>
Disbursements				
Current:				
Library Services:				
Salaries and Benefits	174,430	196,928	187,963	8,965
Purchased and Contracted Services	0	20,671	21,448	(777)
Public Service and Programs	0	0	3,893	(3,893)
Support Services:				
Facilities Operation and Maintenance	0	21,362	32,357	(10,995)
Library Materials	19,054	53,224	36,118	17,106
Information Services	14,223	13,099	3,035	10,064
Business Administration	0	14,526	5,722	8,804
Other Objects	3,958	4,750	1,396	3,354
Capital Outlay	0	2,235	2,835	(600)
Debt Service:				
Redemption of Principal	0	0	0	0
Interest	0	0	0	0
Financing Fees and Costs	0	0	0	0
<i>Total Disbursements</i>	<u>211,665</u>	<u>326,795</u>	<u>294,767</u>	<u>32,028</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>33,129</u>	<u>40,000</u>	<u>57,608</u>	<u>17,608</u>
<i>Net Change in Fund Balance</i>	33,129	40,000	57,608	17,608
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$33,129</u>	<u>\$40,000</u>	<u>\$57,608</u>	<u>\$17,608</u>

See accompanying notes to the basic financial statements

REPORT A

Wagnalls Memorial Library, Fairfield County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balance
Governmental Fund
For the Year Ended December 31, 2004

	General
Cash Receipts	
Government Grants-in-Aid	\$255,200
Intergovernmental	0
Patron Fines and Fees	9,091
Program Receipts	1,935
Services Provided to Other Entities	1,458
Services Provided to Others	0
Contributions, Gifts and Donations	81,463
Earnings on Investments	537
Miscellaneous	2,691
	352,375
<i>Total Cash Receipts</i>	<i>352,375</i>
Cash Disbursements	
Current:	
Library Services:	
Salaries and Benefits	187,963
Purchased and Contracted Services	21,448
Public Service and Programs	3,893
Support Services:	
Facilities Operation and Maintenance	32,357
Library Materials	36,118
Information Services	3,035
Business Administration	5,722
Other Objects	1,396
Capital Outlay	2,835
Debt Service:	
Principal Retirement	0
Interest and Fiscal Charges	0
Financing Fees and Costs	0
	294,767
<i>Total Cash Disbursements</i>	<i>294,767</i>
<i>Total Cash Receipts Over (Under) Disbursements</i>	<i>57,608</i>
<i>Net Change in Fund Balances</i>	<i>57,608</i>
<i>Fund Balances Beginning of Year</i>	<i>0</i>
<i>Fund Balances End of Year</i>	<i>\$57,608</i>

See accompanying notes to the basic financial statements

REPORT B

Wagnalls Memorial Library, Fairfield County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2004

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> <u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities			
Library Services:			
Salaries and Benefits	\$187,963	\$323	(187,640)
Public Service and Programs	3,893	1,935	(1,958)
Library Materials	36,118	9,091	(27,027)
Purchased and Contracted Services	21,448	1,135	(20,313)
Support Services:			
Facilities Operation and Maintenance	32,357	0	(32,357)
Information Services	3,035	0	(3,035)
Business Administration	5,722	0	(5,722)
Other Objects	1,396	0	(1,396)
Capital Outlay	2,835	0	(2,835)
<i>Total Governmental Activities</i>	<u>\$294,767</u>	<u>\$12,484</u>	(\$282,283)
General Receipts			
Government Grants-in-Aid			255,200
Unrestricted Gifts and Contributions			81,463
Interest			537
Miscellaneous			<u>2,691</u>
<i>Total General Receipts</i>			339,891
Change in Net Assets			57,608
<i>Net Assets Beginning of Year</i>			<u>\$0</u>
<i>Net Assets End of Year</i>			<u>\$57,608</u>

See accompanying notes to the basic financial statements

REPORT C

Wagnalls Memorial Library, Fairfield County
Statement of Cash Basis Assets and Fund Balance
Governmental Fund
December 31, 2004

	<u>General</u>
Assets	
Cash and Cash Equivalents	<u>57,608</u>
<i>Total Assets</i>	<u><u>\$57,608</u></u>
Fund Balances	
Unreserved:	
Designated for:	
Future Expenses	40,000
Incurred Payroll Expenses	9,959
Undesignated (Deficit), Reported in:	
General Fund	<u>7,649</u>
<i>Total Fund Balances</i>	<u><u>\$57,608</u></u>

REPORT D

Wagnalls Memorial Library, Fairfield County

Statement of Net Assets - Cash Basis

December 31, 2004

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	<u>\$57,608</u>
<i>Total Assets</i>	<u><u>\$57,608</u></u>
Net Assets	
Unrestricted	<u>57,608</u>
<i>Total Net Assets</i>	<u><u>\$57,608</u></u>
See accompanying notes to the basic financial statements	REPORT E

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Auditor of State Betty Montgomery

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

Wagnalls Memorial Library
Fairfield County
150 E. Columbus St.
P.O. Box 217
Lithopolis, OH 43136

To the Board of Trustees:

We have audited the financial statements of the Wagnalls Memorial Library, Fairfield County, Ohio (the "Library"), a not-for-profit corporation, as of and for the year ended December 31, 2004, and have issued our report thereon dated September 27, 2006, wherein we noted the Library did not consolidate its activities with the Wagnalls Memorial Foundation, an organization that has control of the Library. We also noted the Library did not prepare its financial statements in accordance with generally accepted accounting principles (GAAP) for not-for profit organizations, which require such statements to be displayed in a certain manner. 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Library's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2004-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider the reportable condition listed above to be a material weakness. In a separate letter to the Library's management dated September 27, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-002. In a separate letter to the Library's management dated September 27, 2006, we reported an other matter related to noncompliance we deemed immaterial.

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.



Betty Montgomery
Auditor of State

September 27, 2006

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2004-001

Material Weakness - GAAP Financial Statement Preparation and Reporting

Financial statements prepared using generally accepted accounting principles (GAAP) enhance the decision-making capabilities of appointed officials and managers charged with the operations of the Library, and others with regulatory interests in the results of operations and available resources of the Library. GAAP basis financial statements provide financial statement users with an accurate financial picture of the Library's results of operations and available resources by including accrued assets, liabilities, revenues and expenditures/expenses.

The Library attempted to prepare a set of GAAP basis financial statements using governmental accounting principles prescribed by the Governmental Accounting Standards Board. These statements, however, were prepared on the modified cash basis of accounting rather than GAAP. In addition, the Library as a non-governmental not-for-profit organization should have prepared its statements in accordance with accounting principles prescribed by the Financial Accounting Standards Board [FASB].

To enhance financial accountability and decision making by appointed officials, managers, and patrons of the Library, we recommend the Library prepare its GAAP basis financial statements in an accurate and timely fashion as required by the Financial Accounting Standards Board Statements 116 and 117.

Officials' Response: The Clerk-Treasurer understood in preparing the GAAP statement that Wagnalls was classified a "public/government entity" and thus the Clerk-Treasurer used the incorrect GAAP forms based on this assumption. The Clerk-Treasurer used other examples completed by other public libraries provided on the State Auditors web site as a model to complete the financial statements for the year 2004 with the assumption that Wagnalls was a government entity. There also were sample GAAP statements that could be used. The Clerk-Treasurer incorrectly chose the modified cash basis format since the Library recognized cash when collected, expenses when paid but also accruals to be used for the final year report. Since the time the Clerk-Treasurer prepared the report for 2004, Wagnalls has been identified as a non-profit organization. The Clerk-Treasurer understands the required financial statements now associated with the Library identification by the State Auditor. The Clerk-Treasurer has purchased materials from AICPA as a resource for preparing future GAAP statements per the State Auditor's recommendation. This is the format to be used in future annual financial statements.

FINDING NUMBER 2004-002

Finding for Recovery Repaid Under Audit

Julia Wilson, an employee of the Library, was hired at a rate of \$11.14 per hour. She was paid, however, at a rate of \$6 per hour. The Clerk-Treasurer noted the error in May 2004 and paid Ms. Wilson \$244.15 which represented the difference between \$11.14 and \$6 for the 47.5 hours she had worked through May 13, 2004. When the error was discovered, the correct pay rate was not updated in the payroll system, and Ms. Wilson continued to be paid at a rate of \$6 per hour. The error was noted again in October 2004, and Ms. Wilson was paid backpay in the amount of \$292.98 on October 28, 2004. This payment represented the difference between \$11.14 and \$6 for the entire 57 hours she had worked for the Library in 2004, including the 47.5 hours and \$244.15 she was already paid on May 13, 2004. Ms. Wilson, therefore, was overpaid \$244.15.

**WAGNALLS MEMORIAL LIBRARY
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004
(Continued)**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2004-002 (Continued)

Finding for Recovery Repaid Under Audit (Continued)

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended would have been issued against Julia Wilson, and Sandi Plinke, Clerk-Treasurer, jointly and severally, in the amount of \$244.15 and in favor of Wagnalls Memorial Library.

The finding was repaid by Julia Wilson on September 17, 2006 and deposited into the Library Treasury on September 18, 2006.

We recommend the Board of Trustees and Library staff develop procedures to ensure this type of error does not occur in the future.

Officials' Response: An error was made and the Clerk-Treasurer had the responsibility for correcting the issue. Upon the finding of the payroll error, the Clerk-Treasurer developed a Payroll Audit Process to discover any errors within a timelier period.



**Auditor of State
Betty Montgomery**

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WAGNALLS MEMORIAL LIBRARY

FAIRFIELD 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
NOVEMBER 9, 2006**