

Claymont Public Library

Tuscarawas County, Ohio

Regular Audit

For the Years Ended December 31, 2007 and 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Claymont Public Library
215 East Third St.
Uhrichsville, Ohio 44683

We have reviewed the *Independent Auditors' Report* of the Claymont Public Library, Tuscarawas County, prepared by Balestra, Harr & Scherer, CPAs, 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's Office (AOS). Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the AOS 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 Claymont Public Library is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 29, 2010

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**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Funds – For the Year Ended December 31, 2007.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Funds – For the Year Ended December 31, 2006.....	4
Notes to the Financial Statements.....	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9
Schedule of Findings.....	11

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Independent Auditors Report

Board of Trustees
Claymont Public Library
215 East Third Street
Uhrichsville, Ohio 44683

We have audited the accompanying financial statements of the Claymont Public Library, Tuscarawas County, (the Library) 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 reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP require the Library to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 (and 2006), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately. 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 financial statement amounts, the following paragraph does not imply the amounts are materially misstated under 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.

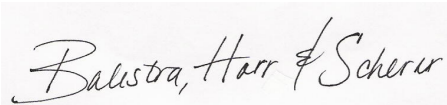
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the year ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library's combined funds as of December 31, 2007 and 2006, or their changes in financial position for the years then ended.

Independent Auditor's Report
Page 2

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Claymont Public Library, Tuscarawas County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements and reserves for encumbrances 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 & Analysis for the years ended December 31, 2007 and 2006. The Library has not presented Management's Discussion & 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 July 31, 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 scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. The 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.



Balestra, Harr & Scherer, CPAs, Inc.

July 31, 2008

Claymont Public Library
Tuscarawas County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
For the Year Ended December 31, 2007

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Receipts:			
Library & Local Government Support	\$ 453,301	\$ -	\$ 453,301
Intergovernmental	3,200	-	3,200
Fines and Fees	7,761	-	7,761
Unrestricted Donations	2,327	-	2,327
Earnings on Investments	8,813	27,886	36,699
Miscellaneous	1,465	-	1,465
Total Receipts	476,867	27,886	504,753
Disbursements:			
Salaries	241,778	-	241,778
Fringe Benefits	67,157	-	67,157
Contractual Services	50,361	7,000	57,361
Materials and Information	106,892	-	106,892
Supplies	14,222	-	14,222
Other	5,317	-	5,317
Capital Outlay	24,772	29,283	54,055
Total Disbursements	510,499	36,283	546,782
Total Receipts Over/(Under) Disbursements	(33,632)	(8,397)	(42,029)
Fund Balance, January 1	376,805	710,901	1,087,706
Fund Balance, December 31	\$ 343,173	\$ 702,504	\$ 1,045,677
Reserved for Encumbrances	17,115	300	17,415

See the Notes to the Basic Financial Statements.

Claymont Public Library
Tuscarawas County, Ohio
Combined Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Cash Balances
For the Year Ended December 31, 2006

	Governmental Fund Types		Totals
	General	Capital Projects	(Memorandum Only)
Receipts:			
Library & Local Government Support	\$ 453,301	\$ -	\$ 453,301
Intergovernmental	-	-	-
Fines and Fees	7,144	-	7,144
Unrestricted Donations	3,400	-	3,400
Earnings on Investments	12,732	26,666	39,398
Miscellaneous	-	-	-
Total Receipts	476,577	26,666	503,243
Disbursements:			
Salaries	215,333	-	215,333
Fringe Benefits	51,036	-	51,036
Contractual Services	45,555	1,290	46,845
Materials and Information	104,109	-	104,109
Supplies	16,316	-	16,316
Other	1,068	-	1,068
Capital Outlay	25,058	-	25,058
Total Disbursements	458,475	1,290	459,765
Total Receipts Over/(Under) Disbursements	18,102	25,376	43,478
Other Financing Receipts/(Disbursements)			
Advance-In	10,000	-	10,000
Advance-Out	-	(10,000)	(10,000)
Total Other Financing Receipts/(Disbursements)	10,000	(10,000)	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Cash Disbursements	28,102	15,376	43,478
Fund Balance, January 1	348,703	695,525	1,044,228
Fund Balance, December 31	\$ 376,805	\$ 710,901	\$ 1,087,706
Reserved for Encumbrances	28,545	-	28,545

See the Notes to the Basic Financial Statements.

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Claymont Public Library was created by a merger of the Uhrichsville Library and Dennison Library in 1965. These two libraries were free public libraries created by adoption of a resolution by the local school boards. In any school district in which a free public library has been established by resolution adopted by the board of education of such school district, prior to September 4, 1947 such library shall be under control and management of a board of library trustees consisting of seven members. Such trustees shall serve a term of seven years and without compensation. The board of education shall make appointments to the board of library trustees not later than 45 days after the date a member's term expires or after the date a vacancy occurs whichever is applicable. If an appointment is not made at that time, the appointment shall be made within the next 14 days by the probate court of the county in which the library is situated. The Claymont Public Library provides the public with reading materials and other free public library services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of 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).

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

C. Cash and Investments

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

The Library's investment in federal agency securities is reported at cost. The Library's investments in STAR Ohio (the State Treasurer's Investment Pool) and money market mutual funds are reported at the value of their shares, which approximates fair value.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the general fund were \$8,813 and \$12,732, for 2007 and 2006, respectively.

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Capital Projects Fund

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

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 and function level of control. Although not required by the Ohio Administrative Code to use encumbrance accounting, the Library has elected to use encumbrance accounting. Also, the Ohio Administrative Code does not require the Library to estimate resources, however, the Library has elected to estimate resources for budgetary control.

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

F. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected in the accompanying financial statements.

G. 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.

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2007 and 2006 was as follows:

	2007	2006
Demand Deposits	\$68,093	\$145,112
Certificates of Deposit	265,000	265,000
Total Deposits	333,093	
StarOhio	712,584	677,594
Total Deposits and Investments	\$1,045,677	\$1,087,706

3. BUDGETARY ACTIVITY

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

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$503,070	\$476,867	(\$26,203)
Capital Projects	1,000	27,886	26,886
Total	\$504,070	\$504,753	\$683

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$636,415	\$527,614	\$108,801
Capital Projects	57,000	36,583	20,417
Total	\$693,415	\$564,197	\$129,218

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$462,951	\$476,577	\$13,626
Capital Projects	5,000	26,666	21,666
Total	\$467,951	\$503,243	\$35,292

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$596,440	\$487,020	\$109,420
Capital Projects	55,000	1,290	53,710
Total	\$651,440	\$488,310	\$163,130

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 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 Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due 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 taxes on behalf of the Library.

5. RETIREMENT SYSTEMS

The Library's full-time employees belong to the Public Employees Retirement System of Ohio (PERS). PERS 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 and 2006, members of PERS contributed 9.5% and 9% of their gross salaries. The Library contributed an equal to 13.85% for 2007 and 13.70% of participants' gross salaries. The Library has paid all contributions required through December 31, 2007.

8. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks: comprehensive property and general liability, general liability, public official's liability, and employers liability. Claims have not exceeded coverage in the past three years.

The Library also provides health insurance to full-time employees.

9. COMPLIANCE

Ohio Revised Code Section 121.22 states that all meetings of a public body are to be open to the public at all times. The minutes of a regular or special meeting of any such public body shall be promptly recorded and open to public inspection.

The Library's minute record was missing minutes from several board meetings, and minutes were not signed by the appropriate personnel.

Ohio Law requires that governments in Ohio establish formal policies which set limitations on travel reimbursements and allowable travel expenses and the personal use of "frequent flyer" miles earned on official travel. The Library did not have such a policy.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Claymont Public Library
215 East Third Street
Uhrichsville, Ohio 44683

To the Board of Trustee:

We have audited the financial statements of the governmental activities of the Claymont Public Library, Tuscarawas County, (the Library) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Library's basis financial statements and have issued our report thereon dated July 31, 2008, wherein we noted that the Library follows accounting principles prescribed and permitted by the Auditor of State. 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 as a basis for designing our audit 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 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 internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 its applicable accounting basis, 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 deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting. 2007-003 through 2007-006.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

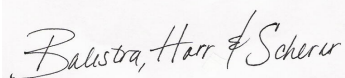
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be in significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that findings 2007-003 through 2007-006 described above are material weaknesses.

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, and grant agreements, 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 instances on noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

The Library's response to the findings 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.

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



Balestra, Harr & Scherer, CPAs, Inc.
July 31, 2008

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY
DECEMBER 31, 2007 and 2006**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2007-001

Noncompliance Citation

Ohio Revised Code Section 121.22 states that all meetings of any public body are to be open to the public at all times. The minutes of a regular or special meeting of any such public body shall be promptly recorded and open to public inspection. The minutes need only reflect the general subject matter of discussions in executive session.

The Library's minute record was missing minutes from several board meetings, and minutes were not signed by appropriate personnel.

The Library should promptly record the minutes of board meetings and make them available for public inspection.

Response:

The President and the Board Secretary will sign all minutes within two days of any Board meeting.

FINDING NUMBER 2007-002

Noncompliance Citation

Ohio Revised Code Sections 102.03(D) and (E), 2921.42(A)(4), and 2921.43(A) requires governmental entities in Ohio to establish policies and procedures setting limitations on amount of reimbursements for travel, setting allowable and unallowable travel expenses and setting requirements for the use of "frequent flyer" mileage earned on official travel for personal use.

The District does not have formal travel reimbursement policies.

Response:

The Policies Committee should meet to come up with compliant policies regarding hours retention, credit card use and travel.

FINDING NUMBER 2007-003

Material Weakness – Support for Expenditures

Several instances were noted where the Library could not produce proper support for expenditures. All expenditures should include support to document that it is for proper public purpose. This could lead to misappropriation of public funds and/or potential fraud. Payment should not be made for expenditures that lack the proper documentation to determine whether the expenditure is for proper public purpose.

Response:

The Board President and/or the Board Secretary will sign checks bi-weekly and review any backup material needed for the disbursement.

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY
DECEMBER 31, 2007 and 2006**

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

FINDING NUMBER 2007-004

Material Weakness – Monthly Bank Reconciliations

Accurate monthly reconciliations of the ending bank account balance to the Library's ending book balance were not performed each month during the audit period by the Clerk. Bank reconciliations were performed and provided as audit documentation; however, the reconciliations contained un-reconciled differences that could not be explained.

This resulted in inaccurate book balances and cumbersome reconciliation procedures.

As a result, we make the following recommendations:

- We recommend that accurate reconciliations of the Library's bank accounts be performed by the Clerk on a monthly basis. Any reconciling items should be documented and investigated to prevent unsupported adjustments from being recorded.
- We recommend the Library Treasurer maintain accurate listing of outstanding checks and deposits and follow up on items which have been outstanding for an extended period of time to ensure that proper credit is given to the Library for outstanding deposits and outstanding checks are voided and paid into the Library's unclaimed monies fund in accordance with Auditor of State Bulletin 96-013 or reissued.
- We recommend that monthly bank reconciliations be reviewed and approved by the Library Board as part of their monthly Board Meetings and signed or initialed by the Board President indicating Board review and approval.
- We recommend interest should be posted monthly based on amounts indicated on the bank statements and checks be issued in a manner to agree to the amount posted to the accounting system.

Response:

The Clerk-Treasurer is in the process of working with UAN to determine any issues regarding withholdings and how it is best to ensure they are properly recorded to reflect on the bank reconciliation.

FINDING NUMBER 2007-005

Material Weakness – Internal Control over Clerk/Treasurer's Pay

We noted that the Clerk/Treasurer was paid \$1,769.36 in 2006 and \$2,076.99 in 2007 more than the board approved salary amounts of \$16,000 and \$18,000 respectively. The apparent overpayments were a result of additional hours that the clerk/treasurer had worked beyond her normal hours. These additional payments are noncompliant with the standard board policy which states that when the Clerk/Treasurer works additional hours she is compensated leave time for the additional hours as opposed to increased wages.

We also noted that the Clerk/Treasurer could not support the aforementioned payroll disbursements with supporting documentation such as time cards. When the time cards or other support was requested the Clerk/Treasurer stated that she enters her hours into the computer system herself and does not fill out time cards.

**CLAYMONT PUBLIC LIBRARY
TUSCARAWAS COUNTY
DECEMBER 31, 2007 and 2006**

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

FINDING NUMBER 2007-005 (Continued)

We recommend that the Library establish proper internal control over the Clerk/Treasurer's payroll transactions. Good internal control procedures would include the Clerk/Treasurer completing a time card each week which should be reviewed and approved by the Director of the Library or Board of Directors. Further, payroll reports should be generated and reviewed and approved by somebody independent of payroll processing such as the Library Director or Board of Directors.

Client Response:

The Clerk-Treasurer will keep track of all hours.

FINDING NUMBER 2007-006

Material Weakness – Disbursement Controls

We identified that unused checks were signed by a board member prior to being used. Pre-signing checks circumvents the internal control system established by the Board adopted policies and procedures of the Library. It also could lead misuse of public funds going undetected for a long period of time.

The Library should adhere to Board Policies that require the signature of a Board Member and the Clerk/Treasurer on each check after the purchase has been reviewed and approved.

Response:

There are no signed checks on the premises or in the safes.



Mary Taylor, CPA
Auditor of State

CLAYMONT 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
AUGUST 10, 2010**