



Mary Taylor, CPA
Auditor of State



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Alger Public Library of the
Upper Scioto Valley School District
Hardin County
P.O. Box 18
100 Wagner St
Alger, Ohio 45810

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Alger Public Library of the Upper Scioto Valley School District (the Library) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balances with the Library's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

State Library and Local Government Support Receipts

1. We selected two State Library and Local Government Support (LLGS) receipts from the Hardin County Vendor History and two receipts from the Logan County Vendor History from 2009 and two from 2008.
 - a. We compared the amount from the County Vendor History Reports to the amount recorded in the Receipts Register Report. The amounts agreed.
 - b. We determined whether these receipts were posted to the General Fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
 - d. We scanned the Receipts Register Report to determine whether it included one LLGS receipt per month for 2009 and 2008 from Hardin County and Logan County. For 2008, there were only eleven receipts posted to the Receipts Register Report from Hardin County due to the fact that a \$5,696.08 receipt for the month of October was not recorded by the Library. For 2009, there were thirteen receipts recorded from Hardin County due to Hardin County reissuing the October 2008 check. We found no exceptions with receipts from Logan County.

Officials' Response: We did not receive a response from Officials to the exception identified above.

Other Confirmable Cash Receipts

1. We verified the recorded amount of \$30,546 from the maturity of the Liberty National Bank certificate of deposit to the February 2008 bank statement. We found no exceptions.
 - a. We determined whether this receipt was allocated to the proper fund. We found no exceptions.
 - b. We determined whether this receipt was recorded in the proper year. We found no exceptions.

The exception to this transaction is the Library should have only recorded \$488, which represented the interest income earned on the certificate of deposit, instead of \$30,546 which represented the principal and interest income. The Library then recorded a disbursement of \$30,546 to purchase an investment in STAR Ohio and a second interest receipt in the amount \$488. As a result, while there was no fund balance adjustment necessary, the Library overstated revenue and disbursements by \$30,546.

Officials' Response: We did not receive a response from Officials to the exception identified above.

Debt

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances or any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Payroll Register - Detail and determined whether the following information in the employees' personnel files or minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged.
 - d. Retirement system participation and payroll withholding.
 - e. Federal, State & Local income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found the following exceptions related to steps a. – f. above. The retirement system enrollment form was not maintained for two employees; however, the pay stub did disclose retirement withholdings for these employees. The state income tax withholding form was not maintained for three employees; however, the pay stub did disclose state income tax withholdings for these employees. The local income tax withholding form was not maintained for six employees; however, the pay stub did disclose local income tax withholdings for these employees. The school income tax withholding form was not maintained for four employees; however, the pay stub did disclose school income tax withholdings for these employees. For one employee, the employee had supplemental federal taxes withheld, but the W-4 supporting the supplemental amount was not maintained. The Library should maintain up to date withholding authorization forms.

Officials' Response: We did not receive a response from Officials to the exceptions identified above.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted was reasonable based on the employees' duties. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Payroll Cash Disbursements (Continued)

Withholding	Due Date	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	December 31, 2009	December 31, 2009	\$155.85	\$155.85
State income taxes	December 31, 2009	December 31, 2009	108.97	108.97
USV – School Tax	December 31, 2009	December 31, 2009	38.08	38.08
Village of Alger Tax	December 31, 2009	December 31, 2009	80.79	80.79
OPERS retirement (withholding plus employee share)	December 31, 2009	December 31, 2009	276.60	276.60

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Sorted Payment Register Report for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Sorted Payment Register Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Budgetary

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report for 2009. For 2008, the amount recorded in the Appropriation Status Report of \$148,561 did not agree to the amount recorded on the appropriation resolution of \$75,315.

Officials' Response: The reason for the variance between the Appropriation Status Report and the appropriation resolution is due to the fact that in 2008, we had a CD roll over with interest for \$30,545.96; when the CD was transferred it did not zero out the account and was thus double booked, making the balance \$61,091.92. Also, I was closing out an account for \$10,027.90 and it stayed on the books for the year before it could be removed. The total of these items of \$71,119.82 when subtracted from the Appropriation Status Report amount of \$148,561 equals \$77,441.18. The difference between the calculated \$77,441.18 and the appropriation resolution amount of \$75,315 must be due to interest.

2. Ohio Admin. Code Section 117-8-02 prohibits spending in excess of budgeted amounts. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for the General Fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Payment Register report for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding to construct, demolish, alter, repair, or reconstruct a library or make any improvements or repairs, the cost of which exceeded \$25,000, except in cases of urgent necessity or for the security and protection of library property (Ohio Rev. Code Section 3375.41).

We identified no purchases subject to the aforementioned bidding requirements.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Library's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 2, 2010



Mary Taylor, CPA
Auditor of State

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN 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 20, 2010**