



Dave Yost • Auditor of State

OAK HILL PUBLIC LIBRARY
JACKSON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Oak Hill Public Library
Jackson County
226 South Front Street
Oak Hill, Ohio 45656-1273

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Oak Hill Public Library, Jackson County, Ohio (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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Cash Journal to the December 31, 2008 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, 2010 and 2009 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2010 bank account balances with the Library's financial institution. We found no exceptions. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation and noted that total Investments reported by the client on the bank reconciliation were \$590.11 higher than the amount confirmed by the financial institution. This was the result of the client's calculation of accrued interest at year end.
5. We selected the four outstanding checks from the December 31, 2010 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.

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Cash and Investments (Continued)

6. We tested investments held at December 31, 2010 and December 31, 2009 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

We selected two State Library and Local Government Support (LLGS) receipts from the County Vendor Audit Trail Report from 2010 and two from 2009.

- a. We compared the amount from the County Vendor Audit Trail Report to the amount recorded in the Receipts Ledger. 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 Ledger to determine whether it included one LLGS receipt per month for 2010 and 2009. We found no exceptions.

Debt

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management, and scanned the Receipts Ledger and Appropriation Ledger for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Register and determined whether the following information in the 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 and State income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. 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.

Payroll Cash Disbursements (Continued)

- b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the minute record. 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, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	1/31/11	12/2/10	\$1,087.88	\$1,087.88
State income taxes	1/15/11	12/1/10	\$210.50	\$210.50
OPERS retirement (withholding plus employer share)	1/30/11	12/1/10	\$2,411.83	\$2,411.83

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Cash Journal:
- a. Accumulated leave records.
 - b. The employee's pay rate in effect as of the termination date.
 - c. The Library's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

- 1. For the Appropriation Ledger report, we refooted checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the General fund for 2010. We found no exceptions.
- 2. We agreed total disbursements (non-payroll and payroll) from the client prepared financial statements for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the check register. We found no exceptions.
- 3. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2010 and ten from the year ended December 31, 2009 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 Cash Journal 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 Ledger for 2010 and 2009 for the General funds. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Appropriation Ledger report. The Fiscal Officer did not enter approved line item appropriations into the Appropriation Ledger for the following line items:

	<u>2009</u>	<u>2010</u>
Land Improvement	\$10,000	\$10,000
Contingencies	10,000	10,000
Other Supplies	500	500
Refunds and Reimbursements		500

2. There were no expenditures noted from any of these line items.
3. 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, 2010 and 2009 for the General Fund, as recorded in the Appropriation Ledger. We noted no expenditures which exceeded appropriations.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Cash Journal report for the years ended December 31, 2010 and 2009 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 did not receive a response from Officials to the exceptions reported above.

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 others within the Library, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

April 14, 2011



Dave Yost • Auditor of State

OAK HILL PUBLIC LIBRARY

JACKSON 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
MAY 5, 2011