



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Union Township Public Library
Brown County
27 Main Street
Ripley, Ohio 45167

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Union Township Public Library, Brown 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

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 observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January financial institutions website. 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.

State Library and Local Government Support Receipts

We selected two State Library and Local Government Support (LLGS) receipts from the County Expenditure Ledger from 2010 and two from 2009.

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

Property Taxes

1. The Library did not receive property taxes in 2009. We attempted to select a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Settlement Sheets) for 2010, but the Library did not obtain the Settlement Sheets from the County Auditor:
 - a. We were able to trace 2010 property tax disbursements to the Library recorded in the County's Appropriation Report to the Library's Receipt Register Report. The amounts agreed. We recommend that the Library obtain the settlement sheets from the County Auditor and retain a copy on file.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Revenue Ledger to determine whether it included the proper number of tax receipts for 2010:
 - a. One personal property tax receipt
 - b. Two real estate tax receipts, plus two advance

We noted the Library's Revenue Ledger included the proper number of tax settlement receipts for 2010.

3. We selected one receipt from the State Distribution Transaction Lists (DTL) from 2010.
 - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Cash Journal 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 Record and determined whether the following information in the employees' personnel files and 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 one exception related to f. above. A retirement system enrollment form was not maintained for five employees. However, the payroll register did disclose retirement withholdings for these employees. We recommend the Library maintain all documentation to support wages paid and deductions withheld.

Official's Response:

To the best of my knowledge, all staff had filled out withholding forms in the past, and are asked each year if they wish to change it. Due to clerical error, not all forms were in each personnel file, but as of early 2011 that has been rectified, and will be diligently kept up to date in the future.

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 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 to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files and/or 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	January 31, 2011	January 3, 2011	\$8,420.08	\$8,420.08
State income taxes	January 18, 2011	December 31, 2010	\$565.53	\$565.53
Local Income Tax (Aberdeen)	January 18, 2011	December 31, 2010	\$105.16	\$105.16
Local income tax (Ripley)	January 18, 2011	December 31, 2010	\$188.14	\$188.14
OPERS retirement (withholding plus employee share)	January 31, 2011	December 28, 2010	\$6,359.67	\$6,359.67

Non-Payroll Cash Disbursements

1. For the Cash Journal Reconciliation report, we refooted checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the General fund for 2010 and 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Cash Journal Reconciliation report for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the cash journal. 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 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.
4. We scanned the cash journal for the year ended December 31, 2010 and 2009 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.19, were used for the purpose stated in the resolution.

Compliance – Budgetary

1. We attempted to compare 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 fund. The Library completed the Annual Appropriation Resolution as required by Ohio Admin. Code Section 117-8-02, but they did not maintain a formal Appropriation Ledger. We recommend that the library adopt a formal Appropriation Ledger as illustrated in the Library Manual.

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, 2010 and 2009 for the General fund, as recorded in the Cash Journal Reconciliation. We noted no funds for which expenditures exceeded appropriations.

Compliance – Contracts & Expenditures

1. 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). **[2009 OCS 2 – 19]**

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.



Dave Yost
Auditor of State

February 10, 2011

This Page is Intentionally Left Blank.



Dave Yost • Auditor of State

UNION TOWNSHIP PUBLIC LIBRARY

BROWN 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
MARCH 3, 2011