



Dave Yost • Auditor of State

ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Alger Public Library of the
Upper Scioto Valley School District
Hardin County
P.O. Box 18
100 W. Wagner St
Alger, Ohio 45812

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Alger Public Library of the Upper Scioto Valley School District, Hardin County, (the Library) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Alger Public Library of the Upper Scioto Valley School District, Hardin County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2014, 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 the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

July 10, 2014

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>General</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Public Library	\$54,158		\$54,158
Intergovernmental	845		845
Patron Fines and Fees	1,678		1,678
Contributions, Gifts and Donations	310		310
Earnings on Investments	21		21
Miscellaneous	1,810		1,810
Total Cash Receipts	<u>58,822</u>		<u>58,822</u>
Cash Disbursements:			
Current:			
Library Services:	58,398		58,398
Total Cash Disbursements	<u>58,398</u>		<u>58,398</u>
Excess of Receipts Over (Under) Disbursements	<u>424</u>		<u>424</u>
Other Financing Receipts (Disbursements):			
Other Financing Sources	94		94
Other Financing Uses	(461)		(461)
Total Other Financing Receipts (Disbursements)	<u>(367)</u>		<u>(367)</u>
Net Change in Fund Cash Balances	57		57
Fund Cash Balances, January 1	<u>45,041</u>	<u>\$10,000</u>	<u>55,041</u>
Fund Cash Balances, December 31:			
Non-spendable		10,000	10,000
Unassigned	45,098		45,098
Fund Cash Balances, December 31	<u>\$45,098</u>	<u>\$10,000</u>	<u>\$55,098</u>

The notes to the financial statements are an integral part of this statement.

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Public Library	\$52,942		\$52,942
Intergovernmental	850		850
Patron Fines and Fees	1,945		1,945
Contributions, Gifts and Donations	200		200
Earnings on Investments	44		44
Miscellaneous	1,651		1,651
Total Cash Receipts	<u>57,632</u>		<u>57,632</u>
Cash Disbursements:			
Current:			
Library Services:	68,795		68,795
Facilities Operation and Maintenance	12		12
Total Cash Disbursements	<u>68,807</u>		<u>68,807</u>
Excess of Receipts Over (Under) Disbursements	<u>(11,175)</u>		<u>(11,175)</u>
Other Financing (Disbursements):			
Other Financing Uses	<u>(2,782)</u>		<u>(2,782)</u>
Net Change in Fund Cash Balances	<u>(13,957)</u>		<u>(13,957)</u>
Fund Cash Balances, January 1	<u>58,998</u>	<u>\$10,000</u>	<u>68,998</u>
Fund Cash Balances, December 31:			
Non-spendable		10,000	10,000
Unassigned (Deficit)	45,041		45,041
Fund Cash Balances, December 31	<u>\$45,041</u>	<u>\$10,000</u>	<u>\$55,041</u>

The notes to the financial statements are an integral part of this statement.

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Alger Public Library of the Upper Scioto Valley School District, Hardin County, (the Library) as a body corporate and politic. The Upper Scioto Valley Local School District Board appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

STAR Ohio is recorded at share values the mutual fund reports.

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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Library had the following permanent fund:

ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Reed Dunlap Nonexpendable Trust Fund – Received funds from the last will and testament of Mabel Dunlap as a permanent endowment. Interest income earned on the principal is to be used for the purchase of books of lasting merit which should pertain to the subjects of art, history, science and literature which should be chosen especially for the reading enjoyment of teenage boys and girls. The Library records the interest earned on the principal of the Trust in the General Fund.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Non-spendable

The Library classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. DEPOSITS AND INVESTMENTS

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2013	2012
Demand deposits	\$6,831	\$3,793
STAR Ohio	48,267	51,248
Total deposits and investments	\$55,098	\$55,041

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$63,190	\$58,916	(\$4,274)
Permanent			
Total	\$63,190	\$58,916	(\$4,274)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$68,617	\$58,859	\$9,758
Permanent			
Total	\$68,617	\$58,859	\$9,758

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$70,335	\$57,632	(\$12,703)
Permanent			
Total	\$70,335	\$57,632	(\$12,703)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$79,703	\$71,589	\$8,114
Permanent			
Total	\$79,703	\$71,589	\$8,114

4. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. The County Budget Commission bases the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. The County Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

5. RETIREMENT SYSTEM

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10%, respectively, of their gross salaries and the Library contributed an amount equaling 14% respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2013.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

7. CONTINGENCY

In 2009, the Library was approached by officials at the Wind Energy Academy about working with them as part of their community outreach efforts. The Board approved a resolution to cooperate and assist them on 08/25/09 and a grant was received. Purchases were made for equipment and circulation material and they continue to be used by patrons through today. As of this date, \$2,550 remains on the books (line item 1000-100-414-0114). In July 2012, the Library wrote to the USV Superintendent and the School Board to ask about the status of the remaining funds, but we received no response. In December 2012, when we talked to Mr. Recker, he said that the investigators and auditors were still going through school records. He recommended that we hold on to the funding until further notice. No other communication has been received.

For the past five years, the Library has been providing the services that were requested since the time of the grant, without compensation or reimbursement for costs. It is our position that the Library should be allowed to use the remaining funds to be compensated for salaries, utilities, administration, and cargo, in support of that program while it existed through the current date.

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Dave Yost • Auditor of State

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

Alger Public Library of the
Upper Scioto Valley School District
Hardin County
P.O. Box 18
100 W. Wagner St
Alger, Ohio 45812

To the Board of Trustees

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Alger Public Library of the Upper Scioto Valley School District, Hardin County, (the Library) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated July 10, 2014 wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-002 described in the accompanying schedule of findings to be a significant deficiency.

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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Library's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

July 10, 2014

**ALGER PUBLIC LIBRARY OF THE UPPER SCIOTO VALLEY SCHOOL DISTRICT
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Material Weakness

Recording of Financial Activity

The Library should have procedures and controls in place to provide for the accuracy and completeness of financial reporting. Such procedures and controls should include the Fiscal Officer's timely completion of bank to book reconciliations to be presented, along with system generated financial reports such as budget versus actual receipts and disbursements, and fund balances, to the Trustees for review and approval.

The following errors were identified in the 2013 and 2012 financial statements:

In 2013 the Library recorded a receipt and a disbursement in the amount of \$30,546 for "Investment Balance,", however there was no actual transaction. As a result both receipts and disbursements were overstated in this amount. The Library also recorded a receipt and corresponding disbursement in the amount of \$1,521 to "Agree with Bank Balance", however, this did not represent an actual transaction which resulted in the overstatement of receipts and disbursements. The Library recorded \$259 in payments to Ohio Public Employees Retirement System (OPERS) which did not reflect actual payments made to the retirement system and as a result disbursements were overstated.

In 2012 the Library recorded disbursements in the accounting records in the amount of \$701 to OPERS and the Internal Revenue Service that had already been recorded in the accounting records through payroll, resulting in the double recording of the disbursement. The Library recorded the movement of money from one investment account to a deposit account as a receipt which resulted in receipts being overstated by \$2,000.

The accompanying financial statements and the accounting records have been adjusted to correct these recording errors.

The failure to correctly record financial activity in the accounting records and financial statements not only may result in the material reporting errors but also impacts users' understanding of the results of operations. Incorrect assumption may inhibit the user's ability to make sound financial decisions, to comply with budgetary laws and to detect irregularities in a timely manner.

The Fiscal Officer and Board should periodically review the accounting records to help identify financial reporting.

OFFICIALS' RESPONSE: The library utilizes the Uniform Accounting Network Software to record all financial transactions. This software is part of the Ohio Auditor of State's supported software for fiscal officers. Unfortunately, updates and changes to the software dating back to 2009 have made it increasingly difficult for the fiscal officer to accurately enter, change or attempt to correct entries in the financial data. This difficulty was noted in a previous audit. Since that time we have contacted the state auditor's office to get help. Visiting Clerks/Fiscal Officers authorized by the auditor's office could not help resolve the problems we have with the government software. We attempted to find an accountant that could help. They were unfamiliar with the UAN software. Board members have also attempted to track income and expenses to identify the source of problems.

**FINDING NUMBER 2013-001
(Continued)**

Our fiscal officer delivers a financial report every month accounting for all receipts, disbursements and bank account balances. The monthly financial report also includes a budget analysis of funds appropriated, funds spent and funds unencumbered. The board has been aware of the reconciliation problems since 2009. The board of trustees has also been aware that the fiscal officer has had difficulty correcting an error once it has occurred. The fiscal officer has agreed with the board of trustees to attend training to gain a better understanding of the software.

It is agreed that incorrectly recording and reporting financial data leads to problems. However, it is also clear that the reported balances of accounts using bank statements give a precise accounting of funds available. The board can use bank statements and the total of bills paid to accomplish a general reconciliation without using the UAN software. This gives us the ability to understand the financial position of the library to make sound financial decisions.

Thank you for correcting the errors identified. We look forward to the opportunity to see how those corrections were made so we can learn how to do them ourselves. This would be especially helpful if this could be accomplished during the exit interview.

FINDING NUMBER 2013-002

Significant Deficiency

Reconciliation of Book Balances to Bank and Investment Accounts

Cash is the asset most susceptible to theft and misappropriation therefore appropriate controls over cash should exist at the Library. Monthly reconciliations between the book balances and the bank and investment accounts is a key control that provides a reasonable assurance that all receipts and disbursements have been accurately and completely recorded in the accounting records and processed by the financial institutions. Additionally, an accurate and complete reconciliation provides the Library with a picture of the financial position at month-end. Bank account reconciliation is a basic control to provide accuracy and completeness of the library's recording of current receipts and expenditures. Failure to maintain complete accountability of public monies could increase the possibility of funds being altered impaired lost or stolen.

At December 31, 2012 the Library had "Other Adjusting Factors" of negative \$701. This was found to be the result of the duplicate recording of payments to the Ohio Public Employees Retirement System (OPERS) and the Internal Revenue Service. An audit adjustment was made to remove these errors.

At December 31, 2013 the Library had "Other Adjusting Factors" of \$1,470. This was partially due to the Library recording \$259 more in OPERs payments than were actually due or remitted. It was also noted that the Library had left \$270 off the outstanding check list.

After these errors were identified, the Library remains unreconciled by \$698, with the books being higher than the bank. This gives the appearance that money collected has not been properly accounted for by the Library.

The Library should resolve the un-reconciled variance and if necessary adjust the books. The Board should periodically review the accounting records and the bank to book reconciliations to help identify errors that may contribute to an un-reconciled balance.

**FINDING NUMBER 2013-002
(Continued)**

OFFICIALS' RESPONSE: The library utilizes the Uniform Accounting Network Software to record all financial transactions. This software is part of the Ohio Auditor of State's supported software for fiscal officers. Unfortunately, updates and changes to the software dating back to 2009 have made it increasingly difficult for the fiscal officer to accurately enter, change or attempt to correct entries in the financial data. This difficulty was noted in a previous audit. Since that time we have contacted the state auditor's office to get help. Visiting Clerks/Fiscal Officers authorized by the auditor's office could not help resolve the problems we have with the government software. We attempted to find an accountant that could help. They were unfamiliar with the UAN software. Board members have also attempted to track income and expenses to identify the source of problems.

The fiscal officer and the board of trustees have known about the possible deficiencies and reconciliation problems for a long time. We understand that entry errors occurred and we are grateful that those errors have been corrected. The unreconciled balance of \$698 is a problem and it does give the appearance that money collected has not been properly accounted for by the library. However, the Auditor's Office spent many weeks, with great difficulty, identifying the errors and correcting them. This remaining balance may also be an error that went undetected.

The board of trustees and the fiscal officer will resolve the un-reconciled variance or adjust the books with the help of the Auditor's Office. We look forward to working with you to understand how to accomplish this. It would be especially helpful if this could be accomplished during the exit interview. The board will also periodically review the bank to book reconciliations to help identify errors.

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Dave Yost • 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
AUGUST 14, 2014