



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Champaign County Library  
Champaign County  
1060 Scioto Street  
Urbana, Ohio 43078

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Champaign County Library (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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to provide attest services to the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

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 Cashbook 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 Cashbook and 2010 Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2010 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, 2010 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:

### **Cash and Investments (Continued)**

- a. We traced each check to the debit appearing in the subsequent January bank statements. We found no exceptions.
  - b. We traced the amounts and date written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions
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 Cross Reference Report from 2010 and two from 2009.

- a. We compared the amount from the County Cross Reference Reports 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, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger. The amounts agreed.
  - 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 and 2009:
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts

We noted the Revenue Ledger included the proper number of tax settlement receipts for each year.

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)**

3. We selected two receipts from the State Distribution Transaction Lists (DTL) from 2010. We also selected five receipts from the County Auditor's Cross Reference Report from 2010 and five from 2009.
  - a. We compared the amount from the DTL and the County Auditor's Cross Reference Report to the amount recorded in the Revenue Ledger. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. *We found one exception.* The LSTA federal grant was posted to the General Fund instead of a Special Revenue Fund in 2010. The grant balance was zero at the end of 2010, and expenditures from the General Fund met grant requirements. Therefore, while the grant was not posted to a separate fund as required by Ohio Rev. Code 5705.09(F), we found no evidence it was misspent, and there was no effect on December 31, 2010 fund balances.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We noted no new debt issuances or 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:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively-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 codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. 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 if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2010. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2011	December 31, 2010	\$3,031.81	\$3,031.81
State income taxes	January 15, 2011	December 31, 2010	\$ 804.02	\$ 804.02
City Income tax	January 31, 2011	December 31, 2010	\$ 473.58	\$ 473.58
OPERS retirement (with-holding plus employer share)	January 30, 2011	January 3, 2011	\$8,118.05	\$8118.05

### Payroll Cash Disbursements (Continued)

3. 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 *Payroll Register*:
  - 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*, we re-footed checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the Building & Repair Fund for 2010. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the *Appropriation Ledger* and *Payroll Register* 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 *Appropriation Ledger* 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 *Appropriation Ledger* 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 *Appropriation Ledger* for the year ended December 31, 2010 and 2009 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purpose stated in the resolution.

### 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 following funds: General Fund and Building & Repair Fund. The amounts recorded in the Appropriation Ledger for 2009 for the Building & Repair Fund were higher than the amount in the appropriation resolution by \$92,278. In 2010, the amounts recorded in the Appropriation Status Report for the General and Building & Repair funds were higher than the amounts on the appropriation resolution by \$17,654 and \$15,664, respectively.
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 and Building & Repair fund, as recorded in the *Appropriation Ledger*. We noted no funds for which expenditures exceeded appropriations.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Appropriation Ledger 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.

**Officials' Response:**

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

From this point on, all grant monies received will be recorded in their own special revenue fund with expenditures for the grant paid from that fund.

**Budgetary**

In 2010, the General Fund appropriations were \$833,234.90 according to the Appropriation Resolution. The Appropriation Status report showed appropriations of \$850,889.17, a difference of \$17,654.27. The carry-over appropriations in 2010 were \$8,787.77. This difference also includes the \$8,377.00 LSTA garden grant that had to be included in the appropriations during the conversion to UAN. The remaining \$489.50 is attributed to a manual prior posting error that during the UAN conversion had to be appropriated to be transferred out. Since the conversion to the UAN system, carry-over appropriations are automatically included in the appropriation report that is included in the Appropriation Resolution. This exception should not occur again.

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, 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 27, 2011

**This Page is Intentionally Left Blank.**





# Dave Yost • Auditor of State

**CHAMPAIGN COUNTY LIBRARY**

**CHAMPAIGN 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  
JUNE 7, 2011**