



**MUSKINGUM COUNTY LIBRARY SYSTEM
MUSKINGUM COUNTY**

AGREED-UPON PROCEDURES REPORT

FOR THE YEARS ENDED DECEMBER 31, 2012 - 2011



Dave Yost • Auditor of State

MUSKINGUM LIBRARY SYSTEM
MUSKINGUM COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Muskingum County Library System
Muskingum County
220 N. Fifth Street
Zanesville, Ohio 43701

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Muskingum County Library System, Muskingum 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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the YTD Fund Summary Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the YTD Fund Summary Report to the December 31, 2011 balances in the YTD Fund Summary Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the YTD Fund Summary Report. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Library's financial institutions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation. We found one exception between the amount confirmed by the bank and the amount recorded on the bank reconciliation which represented accrued interest in the amount of \$382.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits 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, 2012 and December 31, 2011 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 Auditor Detail Expense Report from 2012 and two from 2011.

- a. We compared the amount from the County Auditor Detail Expense Report to the amount recorded in the Journal Entry Register. 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 Journal Entry Register to determine whether it included one LLGS receipt per month for 2012 and 2011. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2012 and one from 2011.
 - a. We traced the net receipts from the *Statement* to the amount recorded in the Journal Entry Register Report. The amounts agreed. Tax settlements received from the County Auditor were posted at net rather than gross. The failure to post tax receipts at gross would result in receipts and disbursements being understated. We recommend the fiscal officer post tax receipts at the gross amount and record deductions as expenditures.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Journal Entry Register Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Journal Entry Register Report included the proper number of tax receipts for each year.
3. We selected the only receipt from the State Distribution Transaction Lists (DTL) from 2011. We also selected five receipts from the County Auditor's Detail Expense Report from 2012 and five from 2011.
 - a. We compared the amount from the above report to the amount recorded in the Journal Entry 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. The prior audit documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Journal Entry Register Report and AP Check Listing for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances nor any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timesheets, 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 were reasonable based on the employees duties as documented in the employees' personnel file. 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, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	1/31/13	12/26/12	\$7,914.80	\$7,914.80
State income taxes	1/15/13	12/27/12	\$3,109.37	\$3,109.37
Local income tax	1/30/13	12/27/12	\$2,446.95	\$2,446.95
OPERS retirement	1/30/13	12/31/12	\$33,083.77	\$33,083.77

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. We haphazardly selected ten disbursements from the AP Check Listing for the year ended December 31, 2012 and ten from the year ended 2011 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 AP Check Listing Report and to the names and amounts on the supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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.
2. We scanned the AP Check Listing Report for the year ended December 31, 2012 and 2011 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purpose(s) 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 Expense Control Report for 2012 and 2011 for the following funds: General Fund and Automation Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Control Report.
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, 2012 and 2011 for the General and Automation funds, as recorded in the Expense Control Report. We noted no funds for which expenditures exceeded appropriations.

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 9, 2013



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MUSKINGUM LIBRARY SYSTEM

MUSKINGUM 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
APRIL 23, 2013**