



Dave Yost • Auditor of State



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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, 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

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 Cash Journal to the December 31, 2010 balances in the prior year Agreed-Upon Procedures working papers.
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 Cash Journal. The amounts agreed.
4. We observed the year-end bank balance(s) on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
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 financial institutions website. 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.

6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2012 bank reconciliation:
 - a. We traced each credit to the subsequent January financial institutions website. We found no exceptions.
 - b. We agreed the credit amounts to the Cash Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

State Library and Local Government Support Receipts

We selected two State Library and Local Government Support (LLGS) receipts from the County Library Fund Print Screens from the Brown County Auditor's accounting system from 2012 and two from 2011.

- a. We compared the amount from the County Library Fund Print Screens to the amount recorded in the Receipt Register Report and Cash Journal. 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 Receipt Register Report to determine whether it included one LLGS receipt per month for 2012 and 2011. We found no exceptions.

Property Taxes and Intergovernmental

1. We attempted to select a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Settlement Sheets) for 2011 and 2012, but the library did not obtain the Settlement Sheets from the County Auditor:
 - a. We were able to trace the 2011 and 2012 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 Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Receipts Register Report included the proper number of tax receipts for each year. However, we determined that Homestead and Rollback funds were not received from the County Auditor's office. We recommend that the Library follow up with the County to obtain their Homestead and Rollback Funds.
3. We selected the two receipts from the State Distribution Transaction Lists (DTL) from 2011. There were no State Distribution receipts in 2012.
 - a. We compared the amount from the above report 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. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Receipt Ledger and Cash Journal 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 Cash Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee's Payroll Journal 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 journal. We found no exceptions.
 - c. 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 files and/or minute records. 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	January 31, 2013	January 2, 2013	\$3,217.55	\$3,217.55
State income taxes	January 15, 2013	December 31, 2013	\$532.46	\$532.46
Local income tax (Aberdeen)	January 31, 2013	December 31, 2013	\$117.43	\$117.43
Local income tax (Ripley)	January 31, 2013	December 31, 2013	\$174.04	\$174.04
OPERS retirement (withholding + employee share)	January 31, 2013	December 24, 2013	\$6,085.40	\$6,085.40

No exceptions noted.

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 employee's payroll 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. From the Cash Journal Reconciliation, we re-footed checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the General fund for 2012. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal 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 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.
3. We scanned the Cash Journal 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 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 2012 and 2011 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, 2012 and 2011 in the General, 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 and the minute records for the years ended December 31, 2012 and 2011 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 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

March 21, 2013

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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
APRIL 11, 2013