



Dave Yost • Auditor of State



GALLIA COUNT DISTRICT LIBRARY  
GALLIA COUNTY

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

Gallia County District Library  
Gallia County  
7 Spruce Street  
Gallipolis, Ohio 45631

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Gallia County District Library, Gallia 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. 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 compared the January 1, 2009 beginning fund balances recorded in the Fund Status Report to the December 31, 2008 balances in the prior year audited statements. The beginning balance in the General Fund exceeded prior year audited amounts by \$2,079.88. The Fiscal Officer voided three long outstanding checks from previous years in 2009: check number 7466 for \$36.99, check number 8107 for \$682.43, and check number 8175 for \$1,360.46. We do not consider this an exception.
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 Fund Status Reports. 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.

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

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected five reconciling credits (such as deposits in transit) haphazardly from the December 31, 2010 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2010 and 2009 to determine if they were properly recorded in the accounting records and on each bank statement or reconciliation. We found no exceptions.
8. 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 Gallia County Detailed Expense Ledger from 2010 and two from 2009.

- a. We compared the amount from the County Detailed Expense Ledger to the amount recorded in the Receipt Register Report. 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 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 Receipt Register Report. The 2010 property tax receipt selected for testing (receipt number 170 for first-half real estate tax settlement) was posted at net rather than gross. This resulted in an understatement of Property and Other Local Tax receipts and Other Disbursements of \$2,123.
  - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

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

2. We scanned the Receipt Register Report 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 Receipts Register Report included the proper number of tax settlement receipts for each year.

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009. We also selected all intergovernmental receipts from the County Auditor's Detailed Expenditure Ledger from 2010 and 2009.
  - a. We compared the amount from the DTL or Detailed Expenditure Ledger to the amount recorded in the Receipt Register Report. The amounts agreed with the following exception: receipts totaling \$8,782 in 2010 and \$15,073 in 2009 were posted as Property Taxes when they should have been posted to Intergovernmental.
  - b. We determined whether these receipts were allocated to the General Fund. 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 report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 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 Register-Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. 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 and/or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For new employees selected in step 1, we determined whether the following information in the employees' personnel files 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.).

**Payroll Cash Disbursements (Continued)**

We found no exceptions related to steps a. – f. above.

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 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	1/31/11	1/12/11	\$8,443	\$8,443
State income taxes	1/15/11	12/24/10	\$2,228	\$2,228
Local income tax	1/31/11	12/24/10	\$910	\$910
OPERS retirement	1/30/11	1/24/11	\$7,737	\$7,737

4. 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 Detail Adjustment Report:
  - 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**

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2010 and ten from the year ended December 31, 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 Payment Register Detail Report 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.

**Compliance – Budgetary**

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriation Status Report for 2010 and 2009 for all funds. The amounts on the appropriation resolutions as approved by the Board of Trustees agreed to the amounts recorded in the Appropriation Status report. However, while the Original Appropriation Resolution was properly posted to the system and filed with the County Auditor, subsequent Board of Trustee approved amendments were posted to the system without being filed with the County Auditor.
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 all funds, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.



### Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail 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).

We identified a building project exceeding \$25,000, subject to Ohio Rev. Code Section 3375.41. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

2. For the building project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates, and also required the contractor to incorporate the prevailing wage requirements into its subcontracts.

**Officials' Response:** With regards to the Property Taxes, Intergovernmental and Other Confirmable Receipts section, we acknowledge that receipt #170 was posted at net rather than gross. We realized this mistake in 2010 and were advised that the amount made it unnecessary to void this receipt and repost. In addition, we have discussed distinctions between intergovernmental revenue sources and tax revenue sources with the Auditor of State's Office. We will attempt to properly post these items in the future. With regards to the Budgetary section exception, we were not aware of the requirement to communicate amendments in appropriations to the County. We will comply from this point forward.

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

June 29, 2011

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# Dave Yost • Auditor of State

**GALLIA DISTRICT LIBRARY**

**GALLIA 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  
JULY 19, 2011**