



Dave Yost • Auditor of State





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

St. Marys Community Public Library  
Auglaize County  
140 South Chestnut Street  
St. Marys, Ohio 45885

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the St. Marys Community Public 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, 2011 and 2010, 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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Status Report to the December 31, 2009 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.

**Cash (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. 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.

**State Library and Local Government Support Receipts**

We selected two State Library and Local Government Support (LLGS) receipts from the County Detail Expense Transaction Report from 2011 and two from 2010.

- a. We compared the amount from the County Detail Expense Transaction Report 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 2011 and 2010. 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 2011 – no property taxes were received in 2010.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. We also traced the advances noted on the *Statement* to the Receipt Register Report. The Library recorded the August settlement at the net receipt amount of \$71,520.48 instead of the gross receipt amount of \$73,461.12.

Recording property tax receipts at the net amount understates both receipts and expenditures in the accounting records and annual financial report.

The Library should periodically compare recorded receipts to supporting documentation to help eliminate errors.

- 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 the proper number of tax receipts for 2011.
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts, plus five advances

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

**Debt**

1. From the prior agreed-upon procedures report, we noted the following loans outstanding as of December 31, 2009. These amounts agreed to the Library's January 1, 2010 balance on the summary we used in step 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2009:</u>
Mortgage for Energy Audit	\$86,887

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. [All debt noted agreed to the summary we used in step 3.]
3. We obtained a summary of debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Library made the payments. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment 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. 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, 2011 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 2011. We noted the following:

<u>Withholding (plus employer share, where applicable)</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Due</u>	<u>Amount Paid</u>
Federal income taxes & Medicare	January 31, 2012	January 23, 2012	\$2,464.98	\$2,464.98
State income taxes	January 15, 2012	January 20, 2012	\$470.50	\$ 470.50
Local income tax	January 27, 2012	January 20, 2012	\$ 331.18	\$ 331.18
OPERS retirement	January 30, 2012	January 20, 2012	\$5,298.51	\$5,298.51

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 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.

**Non-Payroll Cash Disbursements (Continued)**

2. We scanned the Payment Register Detail Report for the year ended December 31, 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 compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriation Status Report for 2011 and 2010 for the following funds: General and Memorial Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report for 2011. In 2010, appropriations recorded in the Appropriations Status Report were greater than the appropriations resolution and amendments by \$312.66 for the General Fund and \$15.25 for Memorial Fund.

Variations between the accounting system and the approved appropriations will result in the Board and management utilizing incorrect information when reviewing budget versus actual reports generated by the accounting system.

Periodically the Board should compare the approved appropriations to the amounts recorded in the accounting system.

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, 2011 and 2010 for the General and Memorial fund, 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, 2011 and 2010 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 – Procedure #1 - This was a clerical error and has been corrected in 2012.

Compliance – Budgetary – Procedure #1 - This was result on the time difference between when the appropriations were approved and the time the appropriations were posted to the UAN.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

April 27, 2012

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ST. MARYS COMMUNITY PUBLIC LIBRARY

AUGLAIZE 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  
MAY 31, 2012