



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Brown County Public Library
Brown County
613 South High Street
Mount Orab, OH 45154-0527

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Brown County 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, 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.

This report only describes exceptions exceeding \$10.

Cash

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 Fund Status Report 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 Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2010 STAR Ohio account balance with the Library's financial institutions. We found no exceptions. We also observed the year-end checking account 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, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks 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 Appropriation Ledger from 2010 and two from 2009.

- a. We compared the amount from the County Appropriation 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. The Library did not receive property taxes in 2009. We attempted to select a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Settlement Sheets) for 2010, but the Library did not obtain the Settlement Sheets from the County Auditor:
 - a. We were able to trace 2010 property tax amounts recorded in the Library's Receipt Register Report to amounts recorded in the County's Appropriation 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 the proper number of tax receipts for 2010:
 - a. One personal property tax receipt
 - b. Two real estate tax receipts, plus one advance

We noted the Receipts Register Report included the proper number of tax settlement receipts for 2010.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009.
 - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The Gates Foundation Grant receipts were properly posted, but the homestead and rollback receipts were not posted. Upon further inquiry with the Brown County Auditor, we confirmed homestead and rollback receipts were receipted by the Brown County Auditor and allocated to the County's Library Tax Levy Fund to be applied to the required debt service payments on the County's library improvement bonds.

We recommend the Library record the tax levy monies including homestead and rollback in their accounting system as a memo receipt entry and a memo expenditure entry to the county to record the debt payment.

- b. We determined whether the grant receipts were allocated to the proper fund. We found no exceptions.
- c. We determined whether the grant receipts were recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Cash Journal for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, and no debt service payments during 2010 or 2009 in the Library's accounting system. We did note Brown County has Library related general obligation bonds. These bonds are a general obligation of Brown County and will be retired through the year 2016 from the proceeds of a voted property tax levy. All related tax proceeds and debt payments are recorded on the Brown County financial statements.

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 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.)

We found the following exception to step f: state withholding forms were not maintained for the ten employees. We recommend the Library maintain all documentation to support wages paid and deductions withheld.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, 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 was reasonable based on the employees' duties as documented in the employees' personnel files and/or minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.

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 that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2011	12/28/2010	\$2,913.10	\$2,913.10
State income taxes	January 15, 2011	12/27/2010	\$727.00	\$727.00
Local income tax Mt. Orab	January 18, 2011	12/28/2010	\$569.84	\$569.84
Local income tax Georgetown	January 18, 2011	12/28/2010	\$100.48	\$100.48
Local income tax Sardinia	January 18, 2011	12/28/2010	\$215.75	\$215.75
OPERS retirement (withholding plus employee share)	January 30, 2011	12/27/2010	\$10,363.04	\$10,363.04

No exceptions noted.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found one disbursement for janitorial services that we could not agree to a supporting invoice because the Library provided no invoice and the contract did not contain an amount. Upon further investigation, the Library provided us with an invoice from the contractor stating that the amount paid was correct. We recommend that the Library obtain an invoice or contract documenting the price to be charged, prior to any disbursement.
 - 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 Payment Register Detail Report for the year ended December 31, 2010 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 2010 and 2009 for all funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status 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, 2010 and 2009 for the General and Special Revenue funds 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 no purchases subject to the aforementioned bidding requirements.

Officials' Response:

Regarding the tax distribution settlement sheets that I should have been getting from the County Auditor along with my taxes distribution. I, on more than one occasion requested a copy of the settlement sheets from the County Auditor. It is very confusing and makes me concerned that I am not getting the information. I realize that I should be posting the taxes in the gross amount with postings for the various deductions that are taken from the gross amount. However, I cannot post the taxes correctly if I am not getting the information that I need.

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.

We did not audit the Library's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

March 23, 2011



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BROWN COUNTY 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 12, 2011**