



Dave Yost • Auditor of State





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

Blanchester Public Library  
Clinton County  
110 N. Broadway Street  
Blanchester, Ohio 45107

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Blanchester Public Library, Clinton 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, 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.

This report only describes exceptions exceeding \$10.

### Cash and Investments

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 Statement of Cash Pos w/MTD Report to the December 31, 2009 balances 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 on the *Statement of Cash Pos w/MTD* report. The amounts for 2010 did not agree; the Library recorded a \$25,047 transfer to the payroll clearing account in 2010 as a payroll disbursement and a reduction of a fund balance on the 2010 *Statement of Cash Pos w/MTD* report even though the Library did not prepare or issue the payroll checks from the payroll clearing account until the subsequent year. The Library resolved this issue during 2011 by revising the payroll policy to require that payroll checks be issued at the end of the month instead of the beginning of the month.
4. We confirmed the December 31, 2011 bank account balances with the Library's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected the outstanding checks from the December 31, 2011 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 dates to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2011 and December 31, 2010 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 Distribution Transaction Lists from 2011 and two from 2010.

- a. We compared the amount from the County Distribution Transaction Lists to the amount recorded in the Open Journal Entries 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 Open Journal Entries 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 and one from 2010
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Open Journal Entries Report. The amounts agreed.
  - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
- 2. We scanned the Open Journal Entries Report to determine whether it included two real estate tax receipts and two personal property tax receipts for 2011 and 2010. We noted the Open Journal Entries Report included the proper number of tax receipts for each year.
- 3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2011 and five from 2010.
  - a. We compared the amount from the DTL to the amount recorded in the Open Journal Entries Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. We inquired of management, and scanned the Posted RJ Journal Entries Report and Check 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 2.
2. We obtained a summary of bonded 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 Check 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 Payroll Register report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, SSI, Board approved pay amounts). We found no exceptions.
  - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employee personnel files, payment register, or minute record. 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:

<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	January 31, 2012	12/28/11	\$2,650.28	\$2,650.28
State income taxes	January 15, 2012	12/30/11	730.87	730.87
OPERS retirement (employer & employee share)	January 30, 2012	12/30/11	6,774.71	6,774.71

### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the AT Check 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.
2. We scanned the monthly AT Check Report for the year ended December 31, 2011 and 2010 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purposes 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 Report with Prior Year for 2011 and 2010 for the following funds: General and Levy funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Report with Prior Year reports. We found no exceptions
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 Levy fund, as recorded in the Expense Account Report w/MTD. We noted no funds for which expenditures exceeded appropriations.

### **Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the monthly Check Report by Check Number 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.

We did not receive a response from officials.

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 initial "D".

**Dave Yost**  
Auditor of State

April 18, 2012

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**BLANCHESTER PUBLIC LIBRARY**

**CLINTON 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 10, 2012**