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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wagnalls Memorial Foundation
Fairfield County
150 East Columbus St
Lithopolis, OH 43136

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Library of the Wagnalls Memorial Foundation, Fairfield County, Ohio (the Library) a not-for-profit corporation, agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records of the Library Fund 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 and Investments

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 Transactions by Account Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Transactions by Account Report to the December 31, 2011 balances in the Transactions by Account Report. We found no exceptions.
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 Transactions by Account Reports. The amounts agreed.
4. We observed the year-end bank balance(s) on the financial institution's website. The balance(s) 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 and February bank statement(s). 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.

State Library and Local Government Support Receipts

We selected two Public Library Fund (PLF) receipts from the County Distribution Transaction Lists from 2012 and two from 2011.

- a. We compared the amount from the County Distribution Transaction Lists to the amount recorded in the Library Fund General Ledger. The amounts agreed.
- b. We determined whether these receipts were posted to the Library 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 Library Fund General Ledger to determine whether it included one PLF receipt per month for 2012 and 2011. We found no exceptions.

Intergovernmental Receipts

1. We selected two receipts from the State Distribution Transaction Lists (DTL) from 2011. There were no receipts reported on the State Distribution Transaction Lists for 2012.
 - a. We compared the amount from the above report(s) to the amount recorded in the Library Fund General Ledger. 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. From the prior audit documentation, we noted the following [loans outstanding as of December 31, 2010. These amounts agreed to the Libraries January 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
2007 Foundation Loan	39,265.60

2. We inquired of management, and scanned the State Annual Report and Library Fund General Ledger for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 2.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to General service fund payments reported in the Library Fund General Ledger. We also compared the date the debt service payments were due to the date the Library made the payments. The Library is not making payments based on an amortization schedule. The Foundation suspended the payment in 2009. The Library will make payments if they have a profit at the end of the year. We found no exceptions.

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 Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report 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 register. We found no exceptions.
 - c. 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 employees' personnel files or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files or minute record 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 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, 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 <u>(and social security for employees not enrolled in pension system)</u>	January 31, 2013	1/11/13	\$3,098.15	\$3,098.15
State income taxes	January 15, 2013	1/11/13	287.64	287.64
School income tax	January 15, 2013	1/11/13	144.51	144.51
Local Income Tax	January 15,	1/11/13	204.40	204.40

We found no exceptions

Payroll Cash Disbursements (Continued)

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 Payroll Summary 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

1. We haphazardly selected ten disbursements from the check register 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 check register and to the names and amounts on the supporting invoices. We found no exceptions.

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

May 6, 2013



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LIBRARY OF WAGNALLS MEMORIAL FOUNDATION

FAIRFIELD 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
AUGUST 13, 2013