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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 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, 2009 and 2008, 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 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, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 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, 2009 bank reconciliation without exception.
5. We selected the outstanding check from the December 31, 2009 bank reconciliation:
 - a. We traced the check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amount and date written to the check register, to determine the check was dated prior to December 31. We noted no exceptions.

State Library and Local Government Support Receipts

1. We selected two State Library and Local Government Support (LLGS) receipts from the County Detail Expense report from 2009 and two from 2008.
 - a. We compared the amount from the County Detail Expense 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 2009 and 2008. We found no exceptions.

Debt

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. All debt noted agreed to the summary we used in step 2.
2. We obtained a summary of note debt activity for 2009 and agreed principal and interest payments from the related debt amortization schedules 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.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Capital Projects fund per the Receipt Register Report. The amounts agreed.
4. For new debt issued during 2009, we inspected the debt legislation, noting the Library must use the proceeds to replace the heating and cooling system. We scanned the Payment Register Detail Report and noted the Library replaced the heating and cooling system in June of 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Employee Detail Adjustment 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 no exceptions related to steps a. – f. above.

Payroll Cash Disbursements (Continued)

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 codes to which the check was posted was 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.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes	January 31, 2010	January 15, 2010	\$1,591.62	\$1,591.62
State income taxes	January 15, 2010	January 15, 2010	\$377.95	\$377.95
Local income tax	January 20, 2010	January 15, 2010	\$285.28	\$285.28
OPERS retirement (withholding plus employer share)	January 30, 2010	January 14, 2010	\$4,564.17	\$4,564.17

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 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 2009 and 2008 for the General and Memorial Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report for 2008 except the Board approved appropriations for the General Fund were \$588,025 and the Appropriation Status Report showed \$588,263 which represents a \$238 variance. For 2009, the General and Memorial Fund Board approved appropriations were \$509,981 and \$7,000 and the amounts recorded in Appropriations Status Report were \$520,339 and \$12,000 which represents a variance in those funds of \$10,358 and \$5,000, respectively.

Compliance – Budgetary (Continued)

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, 2009 and 2008 for the General and Memorial Funds, as recorded in the Appropriation Status Report. We noted that Memorial Fund expenditures for 2009 exceeded total appropriations by \$591, contrary to Ohio Admin. Code Section 117-8-02. The Fiscal Officer should deny payment requests exceeding appropriations. The Treasurer may request the Trustees to approve increased expenditure levels by increasing appropriations if necessary and if resources are available.

Compliance – Contracts and Expenditures

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 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 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 and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



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March 10, 2010



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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 6, 2010**