



Dave Yost • Auditor of State





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

Brown Memorial Library  
Preble County  
101 South Commerce Street  
P.O. Box 640  
Lewisburg, Ohio 45338

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Brown Memorial Library, Preble 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

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 Cash Journal 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 in the Cash Journal. The amounts agreed.
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 only reconciling debit (an outstanding check) from the December 31, 2011 bank reconciliation:
  - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amount and date to the check register, to determine the debit was 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 Detail Expense Report from 2011 and two from 2010.

- a. We compared the amount from the County Detail Expense Report to the amount recorded in the Receipt Ledger. 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 Ledger 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. The Library passed a property tax levy in November 2010 and began collecting receipts in 2011. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2011:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Ledger. 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 Receipts Ledger to determine whether it included two real estate tax receipts for 2011. We noted the Receipts Ledger included the proper number of tax receipts for each year.

#### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Receipts Ledger and Appropriation and Authorization Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances or any debt payment activity during 2011 or 2010.

**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 and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register 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. 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 employee's personnel file 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, 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	December 29, 2011	\$461.27	\$461.27
State income taxes	January 15, 2012	January 12, 2012	394.68	394.68
Local income tax	January 30, 2012	January 12, 2012	252.24	252.24
OPERS retirement	January 30, 2012	January 12, 2012	1,126.35	1,126.35

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

1. From the Appropriation and Authorization Ledger, we re-footed checks recorded as General Fund *Professional Personnel*, and checks recorded as *Books* in the General fund for 2011. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal 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 Cash Journal 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.
3. We scanned the Cash Journal for the year ended December 31, 2011 and determined that the proceeds from the levy passed in November 2010 under Ohio Rev. Code Section 5705.23, were used for the purpose(s) 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 and Authorization Ledger for 2011 and 2010 for the General fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation and Authorization Ledger.
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 fund, as recorded in the Appropriation and Authorization Ledger. Expenditures did not exceed appropriations.

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

1. We inquired of management and scanned the Cash Journal 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 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" and a long, sweeping tail on the "y".

**Dave Yost**  
Auditor of State

April 24, 2012

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# Dave Yost • Auditor of State

**BROWN MEMORIAL LIBRARY**

**PREBLE 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 15, 2012**