



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hardin Northern Public Library
Hardin County
7881 Co. Rd. 95
Ada, Ohio 45810

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Hardin Northern Public Library, Hardin County (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, 2010 bank reconciliation. We found no exceptions. We attempted to test the mathematical accuracy of the December 31, 2011 bank reconciliation. We found that the reconciliation had not been performed for December 31, 2011.

The failure to complete bank to book reconciliations could result in errors and/or irregularities not being detected in a timely manner by management.

Bank to book reconciliations should be performed upon receipt of the monthly bank statement. The Board should monitor the completion of these reconciliations to help assure they are completed in a timely manner.

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 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the total per the December 31, 2010 bank reconciliation to the total of the December 31, 2010 fund cash balances reported in the Cash Journal. The balances agreed. We could not perform this procedure at December 31, 2011 since a bank reconciliation was not performed. The failure to complete bank to book reconciliations could result in errors and/or irregularities not being detected in a timely manner by management.

Bank to book reconciliations should be performed upon receipt of the monthly bank statement. The Board should monitor the completion of these reconciliations to help assure they are completed in a timely manner.

4. We confirmed the December 31, 2011 bank account balances with the Library's financial institution. We found no exceptions. We could not agree the confirmed balances to the amounts appearing on the December 31, 2011 bank reconciliation since a bank reconciliation was not performed.

The failure to complete bank to book reconciliations could result in errors and/or irregularities not being detected in a timely manner by management.

Bank to book reconciliations should be performed upon receipt of the monthly bank statement. The Board should monitor the completion of these reconciliations to help assure they are completed in a timely manner.

5. We selected two reconciling debits (such as outstanding checks) that were outstanding as of December 31, 2011 per the cash journal:
 - a. We traced each debit to the subsequent January bank statement. 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 State Library and Local Government Support (LLGS) receipts from each participating County's Vendor History from 2011 and two from 2010.

- a. We compared the amount from the Expenditure History by Vendor 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.

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 Receipt Ledger and Appropriation Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for three employees from 2011 and one payroll check for three employees from 2010 from the Payroll Ledger and:
 - 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll ledger. 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 minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

- 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	January 3, 2012	\$435.08	\$435.08
State income taxes	January 15, 2012	January 3, 2012	\$195.57	\$195.57
School income tax	January 15, 2012	January 3, 2012	\$159.48	\$159.48
Local income tax	January 31, 2012	January 3, 2012	\$91.13	\$91.13
OPERS retirement	January 30, 2012	January 30, 2012	\$861.60	\$861.60

Non-Payroll Cash Disbursements

- From the Appropriation Ledger, we re-footed checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the General Fund for 2011. We found no exceptions.
- 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:
 - The disbursements were for a proper public purpose. We found no exceptions.
 - 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.
 - 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

- We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriation Ledger for 2011 and 2010 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
- 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 Ledger. We noted no funds for which expenditures exceeded appropriations.

Compliance – Contracts & Expenditures

- 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.

Officials Response: We did receive a response from Officials to the exceptions reported above.

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 "D" and "Y".

Dave Yost
Auditor of State

June 4, 2012



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HARDIN NORTHERN PUBLIC LIBRARY

HARDIN 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
JULY 17, 2012