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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

New London School District Library
Huron County
67 South Main Street
New London, Ohio 44851-1166

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the New London School District Library, Huron 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 Balance Sheet Report to documentation 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 Balance Sheet Reports. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the Library's financial institutions. We found no exceptions, except for a Farmers Savings Bank certificate of deposit. The Library reinvested \$315 of interest paid on August 10, 2011 into the renewed certificate of deposit. The fiscal officer did not record the interest receipt and subsequent reinvestment in the certificate of deposit in the Library's accounting system. The fiscal officer should record the interest receipt and update the carrying value of the certificate of deposit in the Library's accounting system. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception, except for the previously noted Farmers Savings Bank certificate of deposit.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
 - 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 Detail Report, to determine the debits were dated prior to December 31. We noted no exceptions.
- 6. We tested interbank account transfers occurring in December of 2011 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
- 7. 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 Huron County Settlement Report from 2011 and two from 2010. We also selected two State LLGS receipts from the Lorain County Settlement Report from 2011 and two from 2010.

- a. We compared the amount from the County Settlement Report to the amount recorded in the Account Quick 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 Account Quick Report to determine whether it included one LLGS receipt per county, 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 Deposit Detail Report and Check Detail Report 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 five employees from 2011 and one payroll check for five employees from 2010 from the Check Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Check Detail Report 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 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 employees' personnel files and 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. Departments and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State and 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2012	December 27, 2011	\$1,767	\$1,767
State income taxes	January 17, 2012	December 28, 2011	311	311
Local income tax (village)	January 31, 2012	December 25, 2011	533	533
Local income tax (school district)	January 17, 2012	December 28, 2011	142	142
OPERS retirement	January 30, 2012	December 28, 2011	2,460	2,460

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Check Detail Report for the year ended December 31, 2011 and ten from the year ended December 31, 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 Check 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 Profit and Loss Budget versus Actual Report for 2011 and 2010 for the following funds: General and John Jacque Trust. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit and Loss Budget versus Actual Report, except for the General Fund. The Profit and Loss Budget versus Actual Report recorded total appropriations for the General Fund of \$258,177 for 2010. However, the Board of Trustees approved total appropriations of \$256,427. The Profit and Loss Budget versus Actual Report recorded total appropriations for the General Fund of \$271,804 for 2011. However, the Board of Trustees approved total appropriations of \$269,204. The fiscal officer should periodically compare amounts recorded in the Profit and Loss Budget versus Actual Report to appropriations approved by the Board of Trustees to assure they agree. If they do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
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 John Jacque Trust fund, as recorded in the Profit and Loss Budget versus Actual Report. We noted no funds for which expenditures exceeded appropriations.

Compliance – Contracts and Expenditures

We inquired of management and scanned the Check Detail Report 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 not 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.



Dave Yost
Auditor of State

May 29, 2012



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NEW LONDON SCHOOL DISTRICT LIBRARY

HURON 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
JUNE 19, 2012