



**FAIRPORT HARBOR PUBLIC LIBRARY
LAKE COUNTY**

AGREED-UPON PROCEDURES REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008



Mary Taylor, CPA
Auditor of State

FAIRPORT HARBOR PUBLIC LIBRARY
LAKE COUNTY

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Fairport Harbor Public Library
Lake County
335 Vine Street
Fairport Harbor, Ohio 44077

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Fairport Harbor Public Library (the Library) and the Auditor of State 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 balance recorded in Quickbooks by the Library to the December 31, 2007 balance 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 on the Library's Quick Books system generated Balance Sheet. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. We also agreed confirmed balances of certificates of deposits and money market accounts through direct confirmation with the Library's financial institutions. Observed and Confirmed balances were also agreed to amounts appearing on the December 31, 2009 and December 31, 2008 bank reconciliations without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January and February bank statements. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2009 and 2008 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, 2009 and December 31, 2008 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's Library Local Government Fund Support Distributions listing from 2009 and two from 2008.

- a. We compared the amount from the County Library Local Government Fund Support Distributions to the amount recorded in the Library's Account Quick Report (detailed revenue 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 Library's Account Quick Report to determine whether it included one LLGS receipt per month for 2009 and 2008. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected two property tax receipts from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2009 and two from 2008
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Library's Account Quick Report. We also traced one advance noted on the Statements to the Library's Account Quick Report. 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 Account Quick Report to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts plus two advances.

We noted the Account Quick Report included the proper number of tax settlement receipts for each year.

Debt

We inquired of management, and scanned the Account Quick Report (detailed receipt ledger) and Transaction by Account Report (detailed disbursement ledger) for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances or any debt payment activity during 2009 or 2008.

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 Library's Quick Books software packages Payroll Summary 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.

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 code(s) 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 and December 31, 2008 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding periods. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2009 & January 2010	12/23/08 12/30/09	\$1,730.60 \$1,423.88	\$1,730.60 \$1,423.88
State income taxes	January 15, 2009 & January 15, 2010	12/24/08 12/31/09	\$342.32 \$322.46	\$342.32 \$322.46
Local income tax	January 31, 2009 and 2010	12/24/08 12/31/09	\$325.87 \$315.11	\$325.87 \$315.11
OPERS retirement (withholding plus employee share)	January 30, 2009 & January 30, 2010	1/23/09 12/31/09	\$3,813.80 \$3,781.15	\$3,813.80 \$3,781.15

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 Library's Payroll Summary (pay register):
 - 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 Quick Books system generated Transaction by Account Report (detailed expense ledger) 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 Quick Books system generated Transaction by Account Report (detailed expense ledger) 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.

We noted that the Library's Credit Card Policy was not adhered to in 2009. Two credit card payments were tested and there were no receipts to support \$752.80 of the total \$1,043.33 of credit card charges tested. One of the credit card expenditures tested included a \$29 late fee.

Compliance – Budgetary

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the manually prepared Statement of Cash Disbursements and Encumbrances Compared with Expenditure Authority for the following funds: General Fund, Capital Projects, and Memorial Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the manually prepared Statement of Cash Disbursements and Encumbrances Compared with Expenditure Authority report.
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, Capital Projects and Memorial Fund, as recorded in the manually prepared Statement of Cash Disbursements and Encumbrances Compared with Expenditure Authority. We noted no funds for which expenditures exceeded appropriations.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Transaction Detail By Account 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.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 15, 2010



Mary Taylor, CPA
Auditor of State

FAIRPORT HARBOR PUBLIC LIBRARY

LAKE 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