



**Mary Taylor, CPA**  
Auditor of State



LONDON PUBLIC LIBRARY  
MADISON COUNTY

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

London Public Library  
Madison County  
20 East First Street  
London, Ohio 43140

We have performed the procedures enumerated below, with which the Board of Trustees and the management of London Public Library, Madison 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, 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 and Investments**

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 Balance 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 Balance Reports. The amounts agreed without exception.
4. We confirmed the December 31, 2009 bank account balances with the Library's financial institutions. 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 five outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
  - a. We traced each check to the debit appearing in the subsequent January 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 (PLF - Public Library Fund)**

We selected two State Library and Local Government Support Funds (LLGSF) receipts from the Madison County Vendor Audit Trail Report from 2009 and two from 2008.

- a. We compared the amount from the Madison County Vendor Audit Trail Report to the amount recorded in the Transaction Detail by Account (Receipt 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 Transaction Detail by Account (Receipt Report) to determine whether it included one LLGSF receipt per month for 2009 and 2008. We found no exceptions.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2009 and one from 2008.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Transaction Detail by Account (Receipt 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 Transaction Detail by Account (Receipt 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 receiptsWe noted the Transaction Detail by Account (Receipt Report) included the proper number of tax settlement receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2009 and from 2008.
  - a. We compared the amount from the DTL to the amount recorded in the Transaction Detail by Account (Receipt Report). The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found exceptions for all the FY2008 receipts noted above and the 2009 homestead and rollback receipts of \$6.15 on 4/6/09 and \$6.15 on 9/23/09; the receipts were posted to the sub-line of Property Tax receipts, instead of the sub-line of Intergovernmental receipts.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**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 Checking Register and determined whether the following information in the employees' personnel files, Payroll Summary Reports and Salary Schedules were 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 (timesheet and Directors approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the Check Register. We found no exceptions.
  - c. We determined whether the fund and account code 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:

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes	January 31, 2010	1/14/10	\$4,149.52	\$4,149.52
State income taxes	January 15, 2010	1/11/10	879.43	879.43
Local income tax	January 15, 2010	1/11/10	358.51	358.51
School District		1/12/10	219.40	219.40
OPERS retirement (withholding plus employee share)	January 30, 2010	1/27/10	8,018.56	8,018.56

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 Check Register and Payroll Summary Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Library's Termination Benefits 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 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.
2. We scanned the Check Register Report for the year ended December 31, 2009 and 2008 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purposes 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 Profit & Loss Budget vs. Actual Report for 2009 and 2008 for the following funds: *General Fund and Capital Improvement Fund*. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit & Loss Budget vs. Actual 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 and Capital Improvement Fund, as recorded in the Profit & Loss Budget vs. Actual Report. We noted no funds for which expenditures exceeded appropriations.

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

1. We inquired of management and scanned the Check Register 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 a building project for Parking Lots and Storage Building exceeding \$25,000, subject to Ohio Rev. Code Section 3375.41. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

2. For the building project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates.



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

July 19, 2010





Mary Taylor, CPA  
Auditor of State

LONDON PUBLIC LIBRARY

MADISON 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  
AUGUST 3, 2010