



**MADISON PUBLIC LIBRARY  
LAKE COUNTY**

**AGREED-UPON PROCEDURES REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008**



**Mary Taylor, CPA**  
Auditor of State



MADISON PUBLIC LIBRARY  
LAKE COUNTY

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# Mary Taylor, CPA

## Auditor of State

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

Madison Public Library  
Lake County  
6111 Middle Ridge Road  
Madison, Ohio 44057

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Madison Public Library (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 Status 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 Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 and December 31, 2008 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, 2009 and December 31, 2008 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 and December 31, 2008 bank reconciliation:
  - a. We traced each check to the debit appearing in the subsequent January bank statement(s). 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 noted no interbank account transfers occurring in December of 2009 and 2008.

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. The Library invested in Certificates of Deposit. 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 Library Local Government Fund Support Distributions 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 Quickbooks (Receipt-Transaction Detail By Account 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 Library's Quickbooks (Receipt-Transaction Detail By Account) to determine whether it included one LLGS receipt per month for 2009 and 2008. We found no exceptions.

### **Property Taxes, Intergovernmental 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 Library's Quickbooks (Receipt-Transaction Detail By Account Report). We also traced the advances noted on the Statement to the Quickbooks (Receipt-Transaction Detail By Account 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 Quickbooks (Receipt-Transaction Detail By Account 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 advancesWe noted the Quickbooks (Receipt-Transaction Detail By Account Report) included the proper number of tax settlement receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and five from 2008.
  - a. We compared the amount from the DTL to the amount recorded in Quickbooks (Receipt-Transaction Detail By Account Report). The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2009 and 10 over-the-counter cash receipts from the year ended 2008 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in Quickbooks (Receipt-Transaction Detail By Account). The amounts agreed.
- b. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. We inquired of management, and scanned Quickbooks (Receipt-Transaction Detail By Account Report) and (Expenditure Detail History Report) 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 Quickbooks (Employee Earnings Summary) and determined whether the following information in the employees' personnel files and minutes 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 and State 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 2008 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009 and 2008. 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 & 2009	FY09-12/31/2009	\$4,267.00	\$4,267.00
		FY08-1/2/2009	\$5,883.30	\$5,883.30
State income taxes	January 15, 2010 & 2009	FY09-12/30/2009	\$ 823.52	\$ 823.52
		FY08-12/18/2008	\$1,005.35	\$1,005.35
<i>OPERS retirement (withholding plus employee share)</i>	<i>January 30, 2010 &amp; 2009</i>	<i>FY09-12/31/2009</i>	<i>\$ 9,748.43</i>	<i>\$ 9,748.43</i>
		<i>FY08-1/30/2009</i>	<i>\$12,647.26</i>	<i>\$12,647.26</i>

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 Quickbooks (Employee Earnings Summary Report):
- Accumulated leave records
  - The employee's pay rate in effect as of the termination date
  - 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 Quickbooks (Expenditure Detail History Report) for the year ended December 31, 2009 and ten from the year ended 2008 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 Quickbooks (Expenditures-Detail History Report) 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**

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in Quickbooks (Statement of Cash Disbursements and Encumbrances with Expenditure Authority Report) for 2009 and 2008 for the following funds: General Fund, Special Revenue Fund, and Capital Projects Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in Quickbooks (Statement of Cash Disbursements and Encumbrances with Expenditure Authority Report) for 2009 and 2008.
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 Fund, Special Revenue Fund and Capital Projects Fund as recorded in Quickbooks (Statement of Cash Disbursements and Encumbrances with Expenditure Authority Report). We noted no funds for which expenditures exceeded appropriations.

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

1. We inquired of management and scanned the Quickbooks (Expenditure Detail History 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.



**Mary Taylor, CPA**  
Auditor of State

June 30, 2010





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Auditor of State

**MADISON 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  
JULY 20, 2010**