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Auditor of State





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

Blanchester Public Library  
Clinton County  
110 N. Broadway St.  
Blanchester, Ohio 45107

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Blanchester Public Library, Clinton 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 Statement Cash Pos w/MTD 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 Statement of Cash Pos w/MTD Report. The amounts did agree; however, the fund balances do not include a payment made to the payroll clearing account in the amount of \$25,991 for 2008 and \$24,862 for 2009. Payroll checks were not prepared or issued until the subsequent year; however the fund balance was reduced by the amounts paid into the clearing account.
4. We confirmed the December 31, 2009 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 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 bank statement. 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 that checks 15087 on 12/30/09 and 14611 on 12/22/08 were written from the general checking to the payroll checking account on 12/30/09 and 12/22/08 and were not recorded as a bank account transfers in the accounting records. They recorded them as expenditures and the fund balances were reduced by the amount of the transfers.
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 Distribution Transaction Lists from 2009 and two from 2008.

- a. We compared the amount from the County Distribution Transaction Lists to the amount recorded in the Open Journal Entries 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 Open Journal Entries Report to determine whether it included one LLGS receipt per month for 2009 and 2008. We found the 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 Open Journal Entries 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 Open Journal Entries 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

We noted the Open Journal Entries 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 the Open Journal Entries 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.

#### **Debt**

1. We inquired of management, and scanned the Posted RJ Journal Entries Report and Check Register for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. The debt payment in 2009 agreed to the summary we used in step 2. The Library paid an additional \$5,000—in principal during 2008 which resulted in an updated amortization schedule for the 2009 debt activity that was used in step 2.
2. We obtained a summary of bonded debt activity for 2009 and 2008 and agreed the principal and interest payment from the related debt amortization schedule to General Fund payment reported in the check register. We also compared the date the debt service payments were due to the date the Library made the payments. 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 Payroll Report and determined whether the following information in the payroll reports, 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. 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.

We found no exceptions related to steps a. – e. 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 (timecards, SSI). We found no exceptions.
  - b. We determined whether the account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the employee personnel files, payment register, minute record. 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	1/10/10	\$6,507	\$6,507
State income taxes	February 01, 2010	1/10/10	9,347	9,347
Medicare	January 30, 2010	12/31/09	252	252
OPERS retirement (withholding plus employee share)	January 30, 2010	12/20/09	5,962	5,962

No exceptions noted.

#### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register 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 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 Payment Register 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 purpose(s) stated in the resolution. 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 Expense Account Report w/MTD for the following funds: General and Levy. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Account Report w/MTD. We found no exceptions.
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 Levy fund, as recorded in the Expense Account Report w/MTD. We noted no funds for which expenditures exceeded appropriations.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Payment 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 no purchases subject to the aforementioned bidding requirements.

No response was received from the officials.

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

August 23, 2010





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**BLANCHESTER PUBLIC LIBRARY**

**CLINTON 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  
SEPTEMBER 14, 2010**