



Mary Taylor, CPA  
Auditor of State





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

Hardin Northern Public Library  
Hardin County  
153 N. Main St.  
P.O. Box 114  
Dunkirk, OH 45836

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Hardin Northern Public Library, Hardin County (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 Cash Journal 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 Cash Journal. The amounts agreed.
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 reconciliation without exception.
5. We selected four 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.

### **State Library and Local Government Support Receipts**

1. We selected two State Library and Local Government Support (LLGS) receipts from each participating County's Vendor History from 2009 and two from 2008.
  - a. We compared the amount from the County Vendor History to the amount recorded in the Receipt 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 Receipt Ledger to determine whether it included one LLGS receipt per month for 2009 and 2008. We found no exceptions.

### **Debt**

1. We inquired of management, and scanned the Receipt Ledger and Appropriation 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, nor any debt payment activity during 2009 or 2008.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for three employees from 2009 and one payroll check for three employees from 2008 from the Payroll Record and determined whether the following information in the 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.
  - 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll record. We found no exceptions.
  - c. 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 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:

**Payroll Cash Disbursements (Continues)**

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes	January 31, 2010	January 19, 2010	\$399.08	\$399.08
State income taxes	January 15, 2010	January 19, 2010	158.97	158.97
Local income tax	January 31, 2010	January 19, 2010	79.34	79.34
OPERS retirement (withholding plus employee share)	January 30, 2010	January 19, 2010	747.84	747.84

**Non-Payroll Cash Disbursements**

1. For the Appropriation Ledger, we re-footed checks recorded as General Fund *salaries*, and checks recorded as *purchased and contractual services* in the General Fund for 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Appropriation Ledger for the years ended December 31, 2009 and 2008 to the total disbursements recorded in the Cash Journal. We found no exceptions.
3. We haphazardly selected ten disbursements from the Cash Journal 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 Cash Journal 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 Appropriation Ledger for 2009 and 2008 for the following fund: General. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
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, as recorded in the Appropriation Ledger. We noted no funds for which expenditures exceeded appropriations.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Cash Journal 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 20, 2010



**Mary Taylor, CPA**  
Auditor of State

**HARDIN NORTHERN PUBLIC LIBRARY**

**HARDIN 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 20, 2010**