



**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**



**Dave Yost • Auditor of State**



**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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

Mohawk Community Library  
Wyandot County  
200 S. Sycamore Avenue  
P.O. Box 9  
Sycamore, Ohio 44882

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Mohawk Community Library, Wyandot 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, 2010 and 2009, 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards considers this service to impair the independence of the Auditor of State to provide attest services to the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, Government Auditing Standards permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

### Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Fund Status Report to the December 31, 2008 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, 2010 and 2009 fund cash balances reported in the Fund Status Reports. The amounts agreed.

### **Cash and Investments (Continued)**

4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
  - a. We traced each check to the debit appearing subsequently on the financial institution's website. 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 investments held at December 31, 2010 and December 31, 2009 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 found two instances where the Library had CD's for \$10,000 and \$100,000 that matured after the depository agreement. The Library's depository agreement was for the period of 8/23/06-8/23/11 and the CD's maturity dates were 8/13/12, and 10/22/11, respectively.

**Officials' Response:** The Library officials are now aware that this is required and will take the necessary steps to correct.

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

We selected all State Library and Local Government Support (LLGS) receipts from the Wyandot County Auditor Vendor History Reports from 2010 and all from 2009.

- a. We compared the amount from the Vendor History Report to the amount recorded in the Receipt Register 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 Receipt Register Report to determine whether it included one LLGS receipt per month for 2010 and 2009. We found no exceptions.

### **Other Confirmable Cash Receipts**

1. We confirmed the amount paid from the Ruthe Earl Estate to the Library during 2009 with the Estate. We found no exceptions.
  - a. We determined whether this receipt was allocated to the proper fund. We found no exceptions.
  - b. We determined whether the receipt was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.

### Debt (Continued)

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Employee Detail Adjustment Report and determined whether the following information in the employees' personnel files and minute records 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. Departments and funds 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, except the state tax withholding authorization form was not maintained for three employees and the federal tax withholding authorization form was not maintained for one employee in 2009. Additionally, the state tax withholding authorization form was not maintained for three employees and the federal tax withholding authorization form was not maintained for one employee in 2010. The payroll register did disclose income tax withholdings for these employees in 2009 and 2010. However, because we did not test all employees, our report provides no assurance regarding whether or not other similar errors occurred.

**Officials' Response:** The Library officials will take the necessary steps to insure that every employee has completed all the necessary payroll forms and to maintain those forms in an orderly fashion.

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 noted one Library clerk paid on 1/29/10 for \$951.23 for which a timesheet was not maintained. We scanned the remainder of the paychecks and timesheets for this employee during the year and determined the pay was reasonable; we also traced the hourly pay rate to the legislatively approved rate in the minutes noting no discrepancies. However, because we did not test all timesheets, our report provides no assurance regarding whether or not other similar errors occurred.
  - b. We determined whether the fund and account codes to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files and the minute records. We also determined whether the payment was posted to the proper year. We found no exceptions.

**Officials' Response:** The Library officials will maintain all necessary documentation to support payments made to employees that are on an hourly basis.

**Payroll Cash Disbursements (Continued)**

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. 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, 2011	January 12, 2011	\$1,120.66	\$1,120.66
State income taxes	January 15, 2011	December 31, 2010	\$280.22	\$280.22
OPERS retirement (withholding plus employer share)	January 30, 2011	January 10, 2011	\$2,389.16	\$2,389.16

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2010 and ten from the year ended 2009 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 check #4391 dated June 24, 2009 in the amount of \$446.14, payable to the Postmaster that did not have an invoice maintained supporting the payment. We recommend the Library maintain sufficient documentation supporting payment of all disbursements. However, because we did not test all checks, our report provides no assurance regarding whether or not other similar errors occurred.
  - 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.

**Officials' Response:** The Library officials continually strive to maintain the proper records to support all expenditures.

**Compliance – Budgetary**

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriation Status Report for 2010 and 2009 for the following funds: General and Capital Project. The amounts on the appropriation resolutions agreed to the amounts recorded in the accounting system, except for the Capital Projects Fund in 2009 and General and Capital Projects fund in 2010. The Appropriation Status Report recorded appropriations for the Capital Project fund of \$270,097 for 2009. However, the final appropriation resolution reflected \$279,597. The Appropriation Status Report recorded appropriations for the General and Capital Projects fund of \$251,322 and \$0, respectively, for 2010. However, the final appropriation resolution reflected \$247,143 and \$155,416, respectively. The fiscal officer should periodically compare the amounts recorded in the Appropriation Status Report to the amounts recorded on the amended appropriation resolution to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes. However, because we did not test all funds, our report provides no assurance regarding whether or not other similar errors occurred.



**Compliance – Budgetary (Continued)**

**Officials' Response:** The Library officials will take the necessary steps to insure that all actions taken by the Library Board be maintained in the accounting software as deemed necessary.

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, 2010 and 2009 for the General and Capital Project fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2010 and 2009 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.



**Dave Yost**  
Auditor of State

May 2, 2011

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# Dave Yost • Auditor of State

**MOHAWK COMMUNITY LIBRARY**

**WYANDOT 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 14, 2011**