



Dave Yost • 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, 2011 and 2010, 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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 balances in the prior year agreed upon procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Revenue and Expense by Fund Reports. The amounts agreed without exception.
4. We confirmed the December 31, 2011 bank account balance with the Library's financial institution. We agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

Cash (Continued)

6. We selected the only reconciling credit (such as deposits in transit) from the December 31, 2011 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We did not find an exception.
 - b. We agreed the credit amount to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2011 and 2010 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

State Library and Local Government Support Receipts

We selected two State Library and Local Government Support (LLGS) receipts from the Madison County Vendor History Report from 2011 and two from 2010.

- a. We compared the amount from the Madison County Vendor History Report to the amount recorded in the General Ledger 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 General Ledger to determine whether it included one LLGS receipt per month for 2011 and 2010. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2011 and one from 2010
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the General Ledger Report. The property tax receipts were properly recorded at the gross amounts; however the homestead and rollback receipts were improperly recorded at the net amounts. As a result, intergovernmental receipts and the related disbursements were understated by \$421.34 during 2011 and \$254.09 during 2010.
 - b. We determined whether the receipts were recorded in the proper year. The receipts were recorded in the proper year.
2. We scanned the General Ledger Report to determine whether it included two real estate tax receipts for 2011 and 2010. We noted during 2011 that the Library improperly included \$24,957.43 in property tax receipts that should have been recorded as intergovernmental receipts and \$32.04 recorded as intergovernmental receipts that should have been recorded as tax receipts. We noted during 2010 that the Library improperly recorded \$34,008.08 in property tax receipts that should have been recorded as intergovernmental receipts.

Property Taxes and Intergovernmental Cash Receipts (Continued)

3. We selected all four receipts from the State Distribution Transaction Lists (DTL) from 2011 and all three receipts from 2010. We also selected all receipts from the Madison County Vendor History Report from 2011 and all from 2010.
 - a. We compared the amount from the above report to the amount recorded in the General Ledger Report. In addition to the exceptions noted in steps 1 and 2 above, we noted during 2011 that the Library improperly recorded \$6,064.39 for services provided to other entities as intergovernmental receipts. We noted during 2010 the Library improperly recorded \$1,331.57 in miscellaneous receipts that should have been recorded as intergovernmental receipts.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the General Ledger Report for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Checks Issued Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Reports to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were 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.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files 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 and fund 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 for two employees that did not have federal tax withheld from their paychecks. The federal tax withholding forms were appropriately maintained within their personal files.

Payroll Cash Disbursements (Continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	1/11/12	\$3,299.22	\$3,299.22
State income taxes	January 15, 2012	01/09/12	\$685.76	\$685.76
Local income tax	January 15, 2012	01/11/12 01/09/12	\$246.18 \$921.72	\$246.18 \$921.72
OPERS retirement	January 30, 2012	02/09/12	\$7,587.50	\$7,587.50

As noted above, the Library has paid the January 30, 2012 OPERS amount due as required by Ohio Rev. Code Sections 145.47 and 145.48, however the amount was paid February 9, 2012.

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 Accrued Leave Report:
- a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. 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 the Checks Issued Report for the year ended December 31, 2011 and ten from the year ended 2010 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 Checks Issued 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 General Ledger Report for the year ended December 31, 2011 and 2010 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purpose 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 Profit and Loss Budget vs. Actual Report for 2011 and 2010 for the following funds: *General and Capital Improvement*. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit and 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, 2011 and 2010 for the General and Capital Improvement fund, as recorded in the Profit and Loss Budget vs. Actual Report. We found no exceptions.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the General Ledger Report for the years ended December 31, 2011 and 2010 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.

Officials' Response:

We have noted the items mentioned in the report and have taken the appropriate measures to ensure all will be corrected to the best of our knowledge and belief.

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, those charged with governance, and others within the Library, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

July 12, 2012

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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 07, 2012