



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Brown County Public Library
Brown County
613 South High Street
Mount Orab, OH 45154-052

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Brown County Public Library, Brown 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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2010 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, 2012 and 2011 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2012 STAR Ohio account balance with the Library's financial institutions. We found no exceptions. We also observed the year-end checking account balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement on the *financial institutions website*. 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.

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 2012 and two from 2011.

- a. We compared the amount from the County Appropriation Ledger to the amount recorded in the Revenue 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 Revenue Ledger Report to determine whether it included one LLGS receipt per month for 2012 and 2011. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We attempted to select a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Settlement Sheets) for 2011 and 2012, but the library did not obtain the Settlement Sheets from the County Auditor:
 - a. We were able to trace the 2011 and 2012 property tax disbursements to the Library recorded in the County's Appropriation Report to the Library's Receipt Register Report. The amounts agreed. We recommend that the Library obtain the settlement sheets from the County Auditor and retain a copy on file.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. However, we determined that Homestead and Rollback was not received from the County Auditor's office. We recommend that the Library follow up with the County to obtain their Homestead and Rollback Funds.
2. We scanned the Revenue Ledger Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Revenue Ledger Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and three (all receipts) from 2011.
 - a. We compared the amount from the above report to the amount recorded in the Revenue Ledger Report. The amounts agreed.
 - 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, 2010.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances, nor any debt payments during 2012 or 2011 in the library's accounting system. We did note Brown County has Library related general obligation bonds. These bonds are a general obligation of Brown County and will be retired through the year 2016 from the proceeds of a voted property tax levy. All related tax proceeds and debt payments are recorded on the Brown County Financial Statements.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report 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 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 or 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. – d and f. above. One employee tested did not have a State income tax withholding authorization in the personnel file.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	December 26, 2012	\$3,607.09	\$3,607.09
State income taxes	January 15, 2013	December 24, 2012	\$756.48	\$756.48
Local income tax Mt. Orab	February 28, 2013	December 26, 2012	\$583.18	\$583.18
Local income tax Georgetown	February 28, 2013	December 26, 2012	\$142.69	\$142.69
Local income tax Sardinia	January 31, 2013	December 26, 2012	\$217.57	\$217.57
OPERS retirement	January 30, 2013	December 24, 2012	\$10,863.02	\$10,863.02

No exceptions noted.

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 Employee Detail Adjustment 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 Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 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 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 Detail Report for the year ended December 31, 2012 and 2011 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.

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 2012 and 2011 for all funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status 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, 2012 and 2011 for the General and the Koch Grant Special Revenue fund, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.

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

March 25, 2013

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BROWN COUNTY PUBLIC LIBRARY

BROWN 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 14, 2013**