



Dave Yost • Auditor of State





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

Liberty Center Public Library  
Henry County  
124 East Street  
P.O. Box 66  
Liberty Center, Ohio 43532-0066

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Liberty Center Public Library, Henry 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We compared the January 1, 2011 beginning fund balances recorded in the Fund Status Report to the December 31, 2010 balances from documentation in the prior year Agreed-Upon Procedures working papers. The January 1, 2011 General fund balance was \$103 lower than the December 31, 2010 General fund balance. In addition, the January 1, 2011 Permanent fund balance was \$65 higher than the December 31, 2010 Permanent fund balance. Sixty-five dollars of this variance was to account for a reclassification of a prior year receipt. The General Fund's beginning balance was reduced an additional \$38 to account for a prior year disbursement which was not posted. We recommend the Board review transaction postings for accuracy. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Status Report to the December 31, 2011 balances in the Fund Status Report. 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 Reports. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Library's financial institutions. We found no exceptions. We also compared the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation. The bank account balances were \$48.48 higher than the amount recorded in the Fund Ledger Report. This variance was due to accrued interest earned on investments which will be posted to the Library's records when the investment is sold. We recommend the Library post interest revenue as it is earned.

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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. 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.
6. We tested investments held at December 31, 2012 and December 31, 2011 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 Henry County Appropriation History Report from 2012 and two from 2011.

- a. We compared the amount from the Henry County Appropriation 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 2012 and 2011. We found no exceptions.

#### **Property Tax Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2012 and one from 2011 from both Henry and Fulton Counties.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. We noted receipts from the Statement were recorded at net of deductions in the Receipt Register Report, resulting in the understatement of property taxes and general government expenses of \$1,721.51 and \$2,395.42 in 2012 and 2011, respectively. We recommend the Library record property tax receipts at gross with an offsetting expenditure for fees. Because we did not test all property tax receipts, our report provides no assurance regarding whether or not similar errors occurred.
  - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts from both Henry and Fulton Counties for 2012 and 2011. We noted the Receipts Register Report included the proper number of tax receipts for each year.

### Debt

1. From the prior agreed-upon procedures documentation, we noted the following loans outstanding as of December 31, 2010. These amounts agreed to the Library's January 1, 2011 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2010:</b>
Henry County Bank Loan	\$138,396
Huntington Bank Loan	24,637

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. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedules to general fund payments reported in the Payment Register Detail Report. 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 2012 and one payroll check for five employees from 2011 from the Payroll Register Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found one instance where an employee was paid an additional \$11.84 to cover the employee's OPERS retirement contribution. We recommend the employee's wages be adjusted for this overpayment. In addition, the Board should review payroll disbursements for accuracy. Because we did not test all paychecks, our report provides no assurance whether or not other similar errors occurred.
  - 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 minute records. 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 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. Department and fund to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State and 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.

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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2013	December 31, 2012	\$1,220.10	\$1,220.10
State income taxes	January 31, 2013	December 31, 2013	180.85	180.85
Liberty Center Income Tax	January 20, 2013	December 31, 2013	132.71	132.71
School District Income tax	January 31, 2013	December 31, 2013	158.91	158.91
OPERS retirement (withholding plus employer share)	January 30, 2013	January 8, 2013	1,842.63	1,842.63

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 Payroll Register Detail 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 Report for the year ended December 31, 2012 and ten from the year ended December 31, 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 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 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 the General Fund. 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 Fund, as recorded in the Appropriation Status Report. We noted no instances 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

Columbus, Ohio

October 1, 2013

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**LIBERTY CENTER PUBLIC LIBRARY**

**HENRY 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  
OCTOBER 17, 2013**