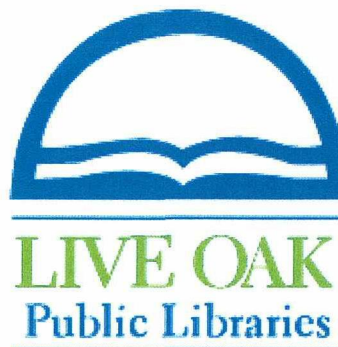


LIVE OAK PUBLIC LIBRARIES

AGREED UPON PROCEDURES

September 12, 2016



LIVE OAK PUBLIC LIBRARIES

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REPORT OF AGREED UPON PROCEDURES

September 12, 2016

Board of Trustees
 Live Oak Public Libraries
 Savannah, Georgia

We have performed the procedures enumerated below, which were agreed to by the Live Oak Library System, solely to assist you in evaluating internal controls over payroll, accounting and financial reporting of Live Oak Public Libraries and accounting and financial reporting of Live Oak Public Libraries Foundation as of June 30, 2016. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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.

EXECUTIVE SUMMARY

This report examines processes and procedures in areas of concern for management. We have performed procedures in the following three areas: Payroll, Accounting and Reporting for Live Oak Public Libraries (Library) and Accounting and Reporting for Live Oak Public Libraries Foundation (Foundation).

Payroll

Jim Stroud is the Human Resource Director for the Library and Scott Pool is the Human Resource Coordinator for the Library. Based upon the procedures performed, we found many weaknesses that exist in the internal controls over payroll. Some of the findings are highlighted below:

- ◆ As a result of internal control weaknesses, a check was issued to a former employee in the amount of \$454,534, net of taxes in the amount of \$423,502 and pension contributions in the amount of \$189,391. The gross check was \$934,337. The bank was able to reverse the transaction, however, the Library had to wait on refunds in the amount of \$423,502 from the Internal Revenue Service and the Georgia Department of Revenue.
- ◆ Employees interviewed expressed frustration over mistakes ranging from benefits deductions, pay check not received, receiving another employee's pay check. During the interview process, some employees expressed to us their concerns of losing their jobs if they complained or reported mistakes.
- ◆ We noted many mistakes as a result of reviewing payroll registers. Those mistakes ranged from deducting benefits incorrectly or not deducting them at all, overtime paid to a salaried employee, overtime and hours calculated incorrectly and overpayments.

- ◆ We examined employee payroll files noting that every file examined was either incomplete or contained outdated information.

Accounting and Financial Reporting-Library

Neal Vickers, CPA is the Finance Director for the Library. He is responsible for the accounting functions of the Library with the exception of payroll. As result of procedures performed, we noted weaknesses that exist in the accounting structure and in financial reporting. Some of the findings are highlighted below:

- ◆ The Library and the Foundation is accounted for in the same accounting system. They share the same data base.
- ◆ Inefficient accounting structure used in the Blackbaud accounting system to account for member library resources. Projects are used instead of funds. Using projects instead of funds limits the usefulness of Blackbaud and does not properly present the financial statements of the member libraries.
- ◆ Blackbaud is not used to generate financial statements. Instead, financial data is exported into Excel to prepare financial statements. The integrity of the data is reduced because it is subject to manipulation and human error.
- ◆ Poor planning and communications to the Board of Trustees regarding important financial results. The Chatham County Library ended the year with an operating loss of \$432,734 and a deficit fund balance in the amount of \$24,127.
- ◆ Plans are not in place to build proper reserves in the Library. As June 30, 2016, unrestricted cash was \$325,212. The majority of the cash belongs to Liberty County. These reserves are much to low for a total operating budget of over \$9,186,547. At a minimum, reserves should be at least \$1,377,981.

Accounting and Financial Reporting-Foundation

Christy Divine was the Foundation Manager during the time period that our procedures cover. Based on interviews with current Library staff and email correspondence from Christy Divine, she appeared to be responsible for all operational and financial aspects of the Foundation. Neal Vickers, CPA is the Finance Director of the Library, however he is also responsible for the accounting functions of the Foundation. As result of procedures performed, we noted weaknesses that exist in the accounting structure and in financial reporting. Some of the findings are highlighted below:

- ◆ The Library and the Foundation are accounted for in the same accounting system. They share the same data base.
- ◆ Inefficient accounting structure used in the Blackbaud accounting system to account for various programs.
- ◆ Blackbaud is not used to generate financial statements. Instead, financial data is exported into excel to prepare financial statements. The integrity of the data is reduced because it is subject to manipulation and human error.
- ◆ Commingling of resources between the Library and the Foundation.
- ◆ Donations and grants designated to the Library were mishandled and reported in the Foundation.
- ◆ Less than \$50,000 spent in the last two years for the direct benefit of the Library. Majority of expenses were for special events, fundraising and marketing.

- ◆ The Library is paying for cost directly related to the Foundation. Past audits reflect cost of \$128,220 for fiscal year 2015 and \$182,297 for fiscal year 2014. Cost for fiscal year 2016 are estimated to be at least \$130,000. These costs are reported as a component of revenue and expense in the financial statement audits.
- ◆ Poor planning and communications to the Board of Trustees regarding important financial results. The Foundation has incurred losses for the past three years. As of June 30, 2016, the Foundation has a deficit unrestricted cash balance of \$38,732.
- ◆ It appears that the Library is supporting the Foundation instead of the Foundation supporting the Library.

PAYROLL

Jim Stroud is the Human Resource Director for the Library and Scott Pool is the Human Resource Coordinator for the Library. As of June 30, 2016, their department handled all aspects of payroll with the exception of recording the payroll transactions into the general ledger. This procedure was performed by Neal Vickers, CPA, the Finance Director for the Library. We performed the following procedures in regards to payroll:

Procedure:

- I. We gained an understanding of internal controls over payroll by conducting interviews with employees responsible for payroll, examined supporting documentation and testing the system.

Findings:

1. Segregation of duties does not exist between the Human Resource functions of having the ability to add or terminate employees, change employee pay rates, ability to change his own employee records and the accounting function of processing payroll. Both Scott Pool and Jim Stroud have this access. Scott Pool is responsible for making changes to payroll records and processing payroll. One employee should not have responsibilities in both these areas. At a minimum, the following activities should be segregated:
 - ◆ Responsibility for time-keeping and supervision functions should be segregated from personnel, payroll processing, disbursement and general ledger functions.
 - ◆ Individuals responsible for hiring, terminating and approving promotions should not be directly involved in preparing payroll transactions or inputting data.
 - ◆ Individuals approving time sheets should not be involved in preparing payroll transactions or inputting data.
 - ◆ Individuals involved in payroll data entry should not have payroll approval authority.
 - ◆ Payroll data entry staff should not enter changes to their own records.

In July of 2016, changes were made to internal control over payroll to overcome these weakness. Scott Pool was reassigned to report to Finance Director Neal Vickers. However, the lack of segregation of duties still existed because Scott Pool still maintains access to employee records and also processes payroll. When we inquired with Finance Director Neal Vickers, CPA, he stated that he was not clear what duties needed to be segregated and would need additional guidance.

The advantages of proper segregation of duties are:

- ◆ Fraud is more difficult to commit because it would require collusion of two or more persons, and most people hesitate to seek the help of others to conduct wrongful acts.
- ◆ By handling different aspects of the transaction, errors are likely to be found and flagged for correction prior to processing payroll.

2. A pre-payroll register is not reviewed prior to the approval and processing of payroll. Based upon interviews with both Jim Stroud and Scott Pool, they both stated that a pre-payroll register is reviewed by Jim Stroud prior to the approval and processing of payroll and Scott Pool makes any necessary changes. However, when we requested these pre-payroll registers to verify that the control was being performed, we were told by Scott Pool, these documents were not maintained. We did not note any evidence this control was actually being performed. As a result of this weakness, a check was issued to former employee John Tuggle in the amount \$454,534, net of taxes in the amount of \$423,502 and pension contributions in the amount of \$189,391. The gross check was \$934,337. Mr. Tuggle noted the mistake in his bank account the following morning and contacted former director Christian Kruse to inform him of the mistake. Finance Director, Neal Vickers, CPA realized this mistake the following day payroll was submitted as a result of reports received from the payroll company, Paycom. The bank was able to reverse the transaction, however, the Library had to wait several months on refunds in the amount of \$423,502 from the Internal Revenue Service and the Georgia Department of Revenue.

We inquired with Scott Pool again regarding the control over reviewing the pre-payroll register. He stated that their process was to review a pre-payroll register prior to submission of payroll. However, during this period of time there was an exception. Effective July 1, 2015, the Library switched payroll services. Scott Pool stated that the new payroll service, Paycom, did not provide a pre-register to review prior to submission of payroll. However, we contacted the Company and verified that a pre-register can be generated prior to submission of payroll. This is a basic function of most payroll systems. It appears that Jim Stroud and Scott Pool did not have a clear understanding of key controls that must be in place prior to the approval and submission of payroll. Transactions should never be processed without review and approval by an employee independent of processing the transactions.

3. Although the Library employs a CPA as Finance Director, prior to July 1, 2016, Finance Director Neal Vickers was not involved in processing payroll until after the fact. His role was to record the payroll transactions into the general ledger after payroll had been processed and submitted. The processing of payroll is an accounting function and not an human resource function and requires different skill sets. Payroll should be included in the finance department.
4. While on-site at the Library, it was brought to our attention by Library staff that bags to be sold in the gift shop contained shredded documents being used as stuffing. We examined those shredded documents and found they appeared to be shredded payroll registers that had visible employee names and partial social security numbers. Disposal of documents should never handled in this manner. The Library needs a policy to address how documents are destroyed and disposed. The policy should also address how long different types of documents must be maintained prior to disposal. This policy must be followed.

5. A reconciliation of benefits withheld from employees' earnings and the invoice from the insurance coverage provider is not performed on a monthly basis. Scott Pool stated that he reconciles the monthly invoice from insurance providers every month to the employees' withholding each month. He then submits the invoice to Finance Director Neal Vickers for payment. However, the reconciliation performed by Scott Pool is not submitted along with the invoice. Neal Vickers pays what Scott Pool approves on invoice without support. Scott Pool states that he does not maintain the monthly reconciliations. This reconciliation process should be done by an employee that is independent of processing payroll and processing payments. There is a deduction register and insurance report that can be printed based on the monthly payrolls that can be used to reconcile between the invoice and what has been deducted. If this reconciliation is not performed, the Library can incur cost related to mistakes made by coverage providers and employees that are no longer receiving coverage. It also insures that employees that are paying for coverage are indeed covered.

Procedure:

- II. We examined 19 employee files and examined payroll registers for those same employees for the time period 07/1/2015 through 06/30/2016.

Findings:

1. As a result of reviewing payroll registers, we noted employees with payroll deductions for gift cards and gift shop purchases. However, documentation regarding a signed payment plan and agreed payroll deduction sheet was not maintained in the employees' payroll file as it should be. Jim Stroud maintains this information separately. The Library purchases gift cards for employees and employees are responsible for paying back over a period of 26 weeks. Gift cards range from \$100 to \$1,500. In fiscal year 2016, gift cards were purchased from three locations; Walmart, Best Buy and Lowe's totaling \$51,305. The gift card program and allowing employees to charge items from the gift shop is a form of employee loans and not a practice that a government entity should be involved in because of the risk it places on the Library.
2. The Former Director, Christian Kruse, was paid for 80 hours on July 8, 2016. According to his separation agreement, he should have been paid through June 28, 2016, which means he should have been paid for 56 hours versus 80 hours. As a result, he was overpaid by \$1,247. Scott Pool stated that he discussed this with Neal Vickers, and they both determined this to be appropriate.
3. During fiscal year 2016, several long-term employees left the employment of the Library. Those employees were paid out for their vacation time and sick time according to policy. However, the vacation time could not be substantiated due to poor record keeping. Large balances were imported into the payroll system without support to substantiate the balances. To compound the problem, two payroll systems were used during fiscal year 2016. When we inquired with Scott Pool regarding controls over vacation time and sick time, he responded that he relies on the payroll system to maintain the correct balances. Also, he relies on employees to monitor their time and let him know if there are problems. No checks and balances exist to ensure that the payroll system is calculating leave correctly and documentation is not maintained to substantiate amounts carried over to the next fiscal year. During the transition from Paycom to Payroll Maxx, Scott Pool did not verify that vacation time and sick time were carried over properly.
4. As a result of reviewing payroll registers, we noted that an employee received two pay checks in one payroll. Scott Pool stated the employee did not complete her direct deposit form timely. As a

result, she did not get paid for time worked in early December 2015. A check was issued to the employee in the first payroll of January 2016 for that period of time. This employee should have been paid regardless of completing the direct deposit form. She should have been issued a paper check. The employee should have received her check prior to Christmas, instead she was forced to wait until after Christmas to get paid.

5. As a result of reviewing payroll registers and employee health insurance enrollment forms we noted eight employees with 14 mistakes to health care deductions that occurred between January 2016 and March 2016. We noted that corrections were made to two of the employees' deductions in later pay periods. It took three months for one of the employees to get her deductions corrected. The corrections were done incorrectly and impacted the calculation of gross earnings, pension contributions and payroll taxes. According to Scott Pool, this was the only way he knew how to correct the problem.
6. Pay rates used to calculate payroll did not agree with approved pay rates maintained in 18 of the 19 employee files. The Board of Trustees approved a 2% increase to go into effect in January of 2016. None of the payroll files were updated with new pay rates. Two employees pay rates were not even close to what had previously been approved considering the 2% increase.
7. Effective for fiscal year 2016, the Library early implemented the Fair Labor Standards Act rule regarding overtime without fully understanding the requirements. Jim Stroud made the decision that employees that made less than \$50,000 were considered subject to overtime and employees that made more than \$50,000 were paid as salaried employees. Although this is not the appropriate way to implement this rule, Jim Stroud and Scott Pool were not consistent with this application. If an employee had less than 40 hours, they were paid less instead of utilizing leave balances. Former employee Susan Lee's base salary was greater than \$50,000 and she was paid for 42.50 hours of overtime at a rate of time and a half.
8. Our examination of employee files revealed employee files are inadequate regarding necessary documentation that should be maintained in an employee file. Recent updates to pay rates were missing, documentation regarding participation in the gift card and gift shop programs, outdated IRS W-4 forms, signed separation agreements, health care, and pension enrollment forms. In particular, Scott Pool's payroll file did not contain any training certificates or employee evaluations forms that were consistent with the other employee files. The I-9 verifications are maintained in a separate binder as they should be, however, we were unable to locate I-9 verification forms for four employees.

Procedure:

- III. We interviewed approximately 15 Library employees from various branches. We made inquiries regarding any issues they may have encountered in regards to payroll.

Findings:

Many of the employees that were interviewed expressed frustration over the treatment they received from Jim Stroud and Scott Pool. Several employees had given up trying to have problems corrected because they feared losing their jobs. Many complaints were voiced regarding concerns over their accrued vacation and sick time leave and whether it had carried over properly between payroll system transitions. One employee received another employee's paycheck as well as her own through direct deposit. Many complaints regarding mistakes made to health insurance

deductions and the difficulty of having Scott Pool make the corrections needed. One employee was paid more than she should have been paid and reported the problem to Scott Pool. Scott Pool told the employee not to worry about it.

ACCOUNTING AND FINANCIAL REPORTING-LIBRARY

Neal Vickers, CPA is the Finance Director for the Library. He is responsible for the accounting functions of the Library with the exception of payroll. Prior to July 1, 2016, Neal Vicker's only responsibility with regards to payroll was to post the payroll transactions into the general ledger after payroll has been processed. We performed the following procedures in connection to understanding the accounting structure and financial reporting of the Library.

Procedure:

- I. We examined the account and fund structure maintained in the Blackbaud System.

Findings:

1. We found that both the Library and the Foundation are accounted for in the same Blackbaud accounting system. They share the same database. There are four Funds. Fund 100 and 200 are used by the Library and Fund 600 and 610 are used by the Foundation. If financial reports are generated that are not Fund specific, activities for both entities would be reported. The Library and Foundation are two separate legal entities. The Library is a government entity and the Foundation is a 501(c)3 nonprofit organization. Their accounting and reporting requirements are vastly different. Although separate bank accounts are maintained for the Library and the Foundation, the risk of misappropriation or errors are increased for both entities. When Neal Vickers was questioned about this issue, he stated that the Foundation could not afford the additional cost to maintain a separate database.
2. With the assistance of a Blackbaud specialist, we determined that fund accounting is not being used to account for the Chatham County, Liberty County, Effingham County, State Grants, SPLOST and donor restricted funds. Instead, all the activities are accounted for in Fund 100 with the exception of SPLOST. SPLOST is accounted for in Fund 200. Instead of funds, these activities are accounted for using projects. We inquired with Neal Vickers regarding the use of projects versus funds. His reasoning was to simplify the process. As a former auditor, he knew all activities would be combined into one fund for audit purposes with the exception of construction funds. Therefore, he set the Library up this way as well. The year end audit should never dictate the structure of accounts and reporting. Reporting used in audited financial statements are very consolidated and not a very useful management tool to be used throughout the year. Neal Vickers uses projects like funds to track various activities. The accounting structure designed in this manner limits the usefulness of Blackbaud. Transactions are only allowed to be assigned to one project. If funds were used instead of projects, transactions could be assigned both to a fund and a project to enhance reporting.
3. The use of projects as funds is not used in a consistent manner. Projects are used to account for the activities of Chatham County, Liberty County and Effingham County. However, other projects are used to account for other activities that are not allocated to any of the member libraries. For example, there is a project referred to as General. It accounts fines, general donations, lost materials and various other revenues. This project pays for mostly supplies. As of June 30, 2016, this project had a deficit fund balance in the amount of \$29,687. This deficit will need to be

allocated to the member libraries. Other projects such as Erate, Gift Shop and Interest are treated in the same manner and should be allocated to member libraries. The total of net fund balances in these projects was \$127,781. In order for member libraries to manage their financial resources and budgets, revenues and expenditures should be allocated between member libraries. When inquiring with Neal Vickers regarding the reasoning behind not reporting in this manner, he stated that the Library was really Chatham County's Library and the other Counties' were just glad to be allowed to participate. However, the Library is a Regional System with three participating Counties.

Procedure:

II. We examined the reporting function used to report to member libraries and the Board of Trustees.

Findings:

1. Financial reports are not setup in Blackbaud to generate directly from the accounting system. Instead, data is exported into Excel. By exporting the data into Excel, the integrity of the numbers can be reduced because they are subject to manipulation and human error.
2. The Budget Comparison Report for the period July 1, 2015 through May 31, 2016 presented at the June 21, 2016 Board of Trustees meeting, combines all activities for General, Effingham County, Liberty County, Chatham County and State Funds into one column. This report reflects a surplus of \$248,466. However, this is misleading because as of March 31, 2016, Chatham County was already incurring a loss of \$179,000. When we inquired with Neal Vickers why he chose this presentation over presenting the participating Libraries individually, he stated that the Board of Trustees were not interested in that much detail. Also during the June 21, 2016 meeting, operating budgets for fiscal year 2017 were presented. The beginning fund balance presented for Chatham County was \$400,421. This is overstated since Chatham County ended the year with a \$22,527 deficit. We inquired with Neal Vickers regarding this issue and he stated that he did not want to reflect a deficit fund balance. Also, presented as comparison was the fiscal year end 2016 budget. Beginning fund balance was overstated by \$294,264.
3. As of June 30, 2016, Chatham County incurred a operating loss of 432,734. As a result, Chatham County had a deficit fund balance of \$24,127. Reserves should be maintained for a Library this size in a range of 15% to 25% percent of operating expenses. At a minimum of 15%, reserves should be \$1,136,671. At 25%, reserves should be \$1,894,451. When we inquired of Neal Vickers how he planned to build up reserves, he stated he guessed they would just try and save more money. When ask if he had communicated this to the Board of Trustees, he stated that he did not realize losses had been incurred until August 2016. As of March 31, 2016, Chatham County reflected a loss of \$179,000. Neal Vickers stated that it may be necessary to borrow money from the Foundation to overcome short term cash flow issues. Borrowing money from the Foundation should be strictly prohibited.

As of June 30, 2016, unrestricted operating cash was \$325,212 for the Library. This balance is much too low for a Library system that has an annual operating budget, excluding state funded expenditures of \$9,186,541.

4. Member libraries do not prepare their own budgets. Instead, Neal Vickers prepares their budgets. Each member library should be responsible for preparing their own budgets.

ACCOUNTING AND FINANCIAL REPORTING-FOUNDATION

Christy Divine was the Foundation Manager during the time period that our procedures cover. Based on interviews with current Library staff and email correspondence from Christy Divine, she appeared to be responsible for all operational and financial aspects of the Foundation. Neal Vickers, CPA is the Finance Director of the Library, however he is also responsible for the accounting functions of the Foundation. According to the articles of incorporation and bylaws "the purpose of the Foundation is to provide funds for goods and services for benefit of the Library, including, but not limited to, books and other library materials, facilities, equipment and amenities". We performed the following procedures in connection to understanding the accounting structure and reporting of the Library.

Procedure:

- I. We examined the account and fund structure maintained in the Blackbaud System.

Findings:

1. Financial reports are not setup in Blackbaud to generate directly from the accounting system. Instead, data is exported into Excel. By exporting the data into Excel, the integrity of the numbers can be reduced because they are subject to manipulation and human error.
2. Financial information can't be easily generated from Blackbaud that reflect donations, grants, other revenues and expenses by program. Similar to the structural issues of the Library, it appears that projects are used to account donations, grants, other revenues and expenses by source. Like the Library, there are limitations when projects are used. Only two funds are used in the Foundation. Fund 600 and 610. Fund 600 accounts for unrestricted activities and Fund 610 accounts for restricted activities. Consideration should be given to using funds in the Foundation to account for sources instead of using projects. A Fund would be established for each major donor that has spending restrictions. Projects would also be used to track donations, grants, other revenue and expense by program. Fund 600 could be used as General to account for donations that do not have restrictions and events that raise money that is unrestricted. Projects would be used to track donations, grants, other revenues and expenses by program unrestricted sources.
3. Many weaknesses in internal controls exist regarding the Foundation. Christy Divine had many sole responsibilities and very little supervision. For example she had the ability to authorize purchases and approve purchases for payment. The same person should not have sole responsibility for these duties.
4. Based upon inquiries with Library staff and email correspondence, Christy Divine mishandled donations that were bequeathed to the Library into the Foundation account. The amount of the bequest was \$84,148. Also, money from this bequest was used to purchase an online service that was not a designated purpose in the bequest. As result of these actions, control over the bequest has been removed from the Library and the Foundation is not in compliance with the bequest.

5. An annual grant from a private donor in the amount of \$25,000 was applied for each year by Library staff under the Library's federal identification number. During fiscal year 2016 and in prior years, Christy Divine mishandled this grant by directing staff to deposit the grant into the Foundation's bank account. As a result of this action, control over the grant has been removed from the Library and the Foundation is not in compliance with the grant.
6. Based upon the June 30, 2015 audit of the Foundation, a contributed service in the amount of \$128,220 was recorded as revenue. This represents salaries for Christy Divine and other Library staff directly related with the Foundation that are paid by the Library. The unrestricted loss reported in the audit was \$40,453. By removing the contributed service revenue, the loss should have been \$168,673. The unrestricted loss reported in the June 30, 2014 audit was \$74,025. By removing the contributed services revenue of \$182,297, the loss really should have been \$256,322.
7. The June 30, 2015 audit of the Foundation reported revenues in the amount of \$318,617, net of \$128,220 of contributed services. However revenue reported in the general ledger for that same time period was only \$226,504. The difference is \$92,113. A possible explanation for this is other contributed services by other donors that were recorded, but not properly disclosed in the audited financial statements.
8. The June 30, 2015 audit reported payments to the Library in the amount of \$311,298. However, after examining expenses recorded in the general ledger for that time period, we noted that the Library did not receive payments in this amount. Expenses that were noted to directly benefit the Library was less than \$10,000 for materials and equipment. The rest of the expenses appeared to be for special events, fund raising and administration. Although the financial statements have been audited, it is management's responsibility to insure that the financial statements are not misleading. It is also the responsibility of management to ensure that cost incurred are within the purpose of the Foundation and the wishes of the Donors.
9. As of June 30, 2016, the Foundation has expenses totaling \$403,840. This excludes approximately \$130,000 of salaries paid by the Library for the Foundation. Of that amount, we noted expenses of \$40,753 that was spent on materials that directly benefit of the Library. The rest of the expenses appear to be for special events, fund raising and administration. It is management's responsibility to ensure that cost incurred are within the purpose of the Foundation and the wishes of the Donors.
10. As of June 30, 2016, the Foundation had a deficit in unrestricted cash in the amount of \$38,732.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards or *Government Auditing Standards*, we do not express an opinion on any of the accounts or items referred to above. This report relates only to the accounts and matters specified on this page and do not extend to any financial statements of Live Oak Library System taken as a whole.

Baker, Carter & Co., LLP

ELIZABETH "BETH" B. GRIMES

PARTNER
GOVERNMENT AUDIT PARTNER

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EXCEEDING EXPECTATIONS. ALWAYS.

Exceeding expectations means not only keeping our clients current with changing reporting requirements, but helping our clients achieve the highest level of financial reporting.

BATESCARTER MISSION

To improve the quality of life of...

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- *Our Team Members, by offering challenging career opportunities and a family-friendly culture.*

PROFESSIONAL EXPERIENCE AND EXPERTISE

Beth B. Grimes, CPA

Beth is responsible for the firm's governmental practice. Since joining BatesCarter in 1996, Beth has gained substantial experience serving clients in the local governmental sector. These services include financial and compliance audits, compilations, bond comfort and consent procedures, internal control assessments and general consulting services. She is committed to continuous learning and customer focused initiatives. She has taught courses for the Georgia Government Finance Officers Association and the Georgia Society of CPAs in the area of governmental accounting.

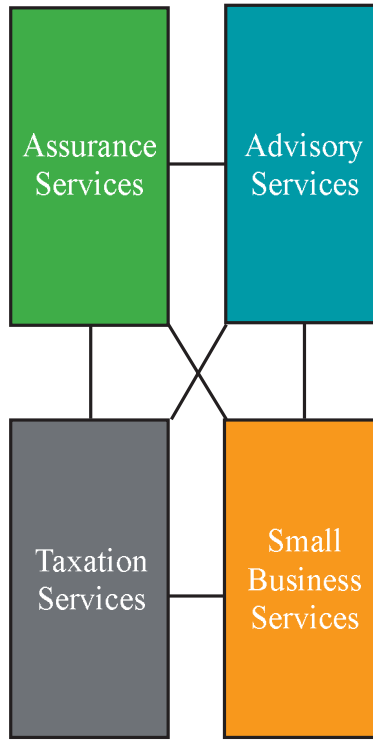
Beth is active in her community as well as in her professional organizations. She is a member of the American Institute of Certified Public Accountants, the Georgia Society of CPAs, the Government Finance Officers Association, and the Georgia Government Finance Officers Association.

Beth is currently on the Board of Directors of the Georgia Society of CPAs' Educational Foundation. She is the past chairman of the Georgia Society of CPAs audit committee and past president of the Northeast Georgia Chapter of the Georgia Society of CPAs. She is also a 2002 graduate of the Georgia Society of CPAs' First Leadership Academy. Beth has served on council and various committees of the Georgia Society of CPAs. Beth graduated from North Georgia College in 1993 with a degree in accounting.

When not working, Beth enjoys spending time with her husband, Richie, and their two daughters, Lindsay & Sarah.

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- Commercial/for-profit entities in a wide array of industries
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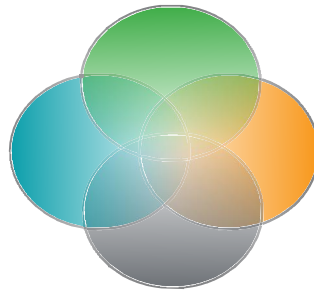


- Business valuations for litigation, tax compliance, etc.
- Litigation support including stockholder disputes, condemnations, etc.
- Transaction services including merger and acquisition assistance
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Our client industries include Construction, Bio-Tech, Pharmaceuticals, Petroleum, Food Services, Retail, Real Estate, Medical, Media, Manufacturing, Legal Services, Agriculture.

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