



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Library Association of Sandusky
Erie County
114 West Adams Street
Sandusky, Ohio 44870

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Library Association of Sandusky, Erie County, Ohio (the Association) 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, 2013 and 2012, 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, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the YTD Fund Report for January to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the YTD Fund Report for January to the December 31, 2012 balances in the YTD Fund Report for December. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 fund cash balances reported in the YTD Fund Reports. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balances with the Association's financial institutions. We found not exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation with one exception. We noted a stock dividend with a market value of \$612.58 at the time of receipt was not recorded in the Association's accounting system resulting in the Anderson Fund balance being understated by this amount. The Chief Fiscal Officer posted this adjustment on May 8, 2014. We recommend the Chief Fiscal Officer monitor and correct any variances between bank and book balances, including dividend reinvestments.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 Detail Expense Transaction Listing Report, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2013 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipt Transaction Ledger Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested investments held at December 31, 2013 and December 31, 2012 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.

Public Library Funds Receipts

We selected two Public Library Funds (PLF) receipts from the Erie County Auditor Local Government Confirmation from 2013 and two from 2012.

- a. We compared the amount from the Erie County Auditor Local Government Confirmation to the amount recorded in the Receipt Transaction 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 Receipt Transaction Ledger Report to determine whether it included one PLF receipt per month for 2013 and 2012. We found no exceptions.

Property Taxes

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) from each school district collecting taxes on behalf of the Association for 2013 and one from 2012.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Transaction Ledger Report. The amounts agreed.
 - 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 Transaction Ledger Report to determine whether it included two real estate tax receipts from each school district collecting taxes on behalf of the Association for 2013

and 2012. We noted the Receipt Transaction Ledger Report included the proper number of tax receipts for each year.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Receipt Listing Transaction Report and Detail Expense Transaction Listing Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Payroll Check Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Check Register Report to supporting documentation (timecard, legislatively-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. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2014	January 3, 2014	\$8,769	\$8,769
State income taxes	January 15, 2014	January 14, 2014	3,095	3,095
City of Sandusky income taxes	January 31, 2014	January 14, 2014	1,201	1,201
OPERS retirement	January 30, 2014	January 30, 2014	16,908	16,908

3. 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 Check Register Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Association's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Detail Expense Transaction Listing Report for the year ended December 31, 2013 and ten from the year ended December 31, 2012 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 Detail Expense Transaction Listing 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.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Association'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 Association, 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

May 29, 2014



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LIBRARY ASSOCIATION OF SANDUSKY

ERIE 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
JUNE 12, 2014**