



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 Directors (the Board) 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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the YTD Fund Report for January to the December 31, 2013 balances in documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the YTD Fund Report for January to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the applicable YTD Fund Reports for December. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balances with the Association's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation with one exception. The confirmed fair market value of equitable securities at December 31, 2015 was \$797,719, while the Association's reconciliation reported the equitable securities at \$816,668, resulting in a variance of \$18,949. The difference in valuation is attributable to the December, 2015 gains/losses not being posted to the Association's accounting records until the Association received its Market Value Changes and Investment Basis Calculation monthly spreadsheets prepared by the Association's accountant in January, 2016. Fair market values should be updated in a timely manner prior to the performance of the monthly reconciliation.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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, 2015 and December 31, 2014 to determine that they:
 - a. Were of a type allowable. 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 2015 and two from 2014.

- 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 2015 and 2014. We found no exceptions.

Property Taxes

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) of each school district collecting taxes on behalf of the Association for 2015 and 2014.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt/Memo Transaction Listing Report. The amounts agreed.
 - b. We determined whether the receipt was recorded in the proper year. We found no exceptions.
2. We scanned the Receipt/Memo Transaction Listing Report to determine whether it included two real estate tax receipts from each school district collecting taxes on behalf of the Association for 2015 and 2014. We noted the Receipt/Memo Transaction Listing Report included the proper number of tax receipts for each year.

Other Confirmable Cash Receipts

We confirmed the amounts paid from the Association's financial institutions to the Association during 2015 and 2014 with the financial institutions and support obtained directly from the financial institutions. We found no exceptions.

- a. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
- b. 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, 2013.
- 2. We inquired of management, and scanned the Receipt Transaction Listing Report and Expense Transaction Listing Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

Payroll Cash Disbursements

- 1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Payroll Summary and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary 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.
- 2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 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 2016. 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, 2016	December 31, 2015	\$7,670	\$7,670
State income taxes	January 15, 2016	December 31, 2015	2,588	2,588
City of Sandusky municipal income tax	January 31, 2016	December 31, 2015	1,395	1,395
OPERS	January 30, 2016	December 31, 2015	26,896	26,896

Payroll Cash Disbursements (Continued)

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 Summary:
 - 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 Special Check Register for the year ended December 31, 2015 and ten from the year ended December 31, 2014 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 Special Check Register 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.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Association filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. We noted 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 28, 2016

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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
JULY 14, 2016