



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Findlay-Hancock County Public Library
Hancock County
206 Broadway Street
Findlay, Ohio 45840

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Findlay-Hancock County Public Library, Hancock 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 agreed the January 1, 2011 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the Fund Ledger 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 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. We found no exceptions.
 - b. We traced the amounts and dates to the cancelled check, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested interbank account transfers occurring in December of 2012 and 2011 to determine if they were properly recorded in the accounting records and on each bank statement or reconciliation. We found no exceptions.
7. 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 County Vendor Invoice List from 2012 and two from 2011.

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

Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) from Hancock, Seneca and Wyandot Counties for 2012 and one from each County for 2011.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The receipts were posted at net instead of gross, understating revenue and expenditures by \$6,846 in 2012 and \$5,814 in 2011. We recommend the Fiscal Officer record all tax settlements at the gross amount and record the corresponding expenditures. Because we did not test all receipts, our report provides no assurance regarding whether or not other 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 each County for 2012 and 2011. We noted the Receipts Register 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 five from 2011.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Register 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. From the prior audit documentation, we noted the following lease obligation bonds outstanding as of December 31, 2010. These amounts agreed to the Libraries January 1, 2010 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
Lease Obligation Bonds	\$220,000

- 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 2.
- 3. We obtained a summary of the lease obligation bond debt activity for 2011 and agreed principal and interest payment from the related debt amortization schedule to Building and Repair Fund and 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. The bond was paid off as of December 31, 2011.

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 codes 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, 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 and Medicare	January 31, 2013	December 31, 2012	\$4,078.05	\$4,078.05
State income taxes	January 15, 2013	December 31, 2012	2,515.62	2,515.62
School District income tax	January 15, 2013	January 9, 2013	468.85	468.85
Findlay Local income tax	January 31, 2013	January 8, 2013	1,682.28	1,682.28
Arlington Local income tax	January 31, 2013	January 11, 2013	117.26	117.26
Carey Local income tax	January 31, 2013	January 7, 2013	67.48	67.48
OPERS retirement	January 31, 2013	January 9, 2013	35,285.18	35,285.18

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 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 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 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 the following funds: General Fund and Burgoon Fund. The amounts on the appropriation resolutions plus amendments 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 Burgoon funds, 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

May 9, 2013

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FINDLAY-HANCOCK COUNTY PUBLIC LIBRARY

WAIVED 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 28, 2013