



Dave Yost • Auditor of State



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Hardin Northern Public Library
Hardin County
153 North Main Street
Dunkirk, Ohio 45836

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Hardin Northern Public Library, Hardin County, (the Library) for the years ended December 31, 2015 and 2014.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Library's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Library's financial statements, transactions or balances for the years ended December 31, 2015 and 2014.

The Library's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. We examined the December 31, 2015 bank reconciliation. It was not calculated correctly. The bank balance of \$65,305.15 less outstanding checks of \$922.66 is \$64,382.49, which agrees to the balance on the Library's December 31, 2015 cash journal and the monthly financial report reviewed by the Trustees. However, the calculated balance on the reconciliation was \$62,382.49, which is a difference of \$2,000.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The unidentified difference between the monthly bank reconciliation and the cash journal balance is an indication that an important step in the reconciliation process was not performed. When completing monthly bank reconciliations, the fiscal officer should compare balances on the bank reconciliation to the cash journal and investigate any differences.

Also, the Library's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The Trustees should periodically review monthly bank reconciliations and compare the balance on the bank reconciliation to the cash journal and monthly financial report. The Trustees should initial the bank reconciliations to evidence the performance of this procedure.

2. **Ohio Rev. Code §117.38** states entities filing on a cash-basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. For the year ended December 31, 2015, the Library did not file an annual report within 60 days of the fiscal year-end.

The Library should ensure that its annual financial reports are timely filed with the Auditor of State. Failure to file annual financial statements in a timely manner may result in the Library not being eligible for reduced audit procedures in the future, such as a basic audit or agreed upon procedures.

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

Dave Yost
Auditor of State

July 20, 2016



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HARDIN NORTHERN PUBLIC LIBRARY

HARDIN 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
AUGUST 2, 2016**