



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Kaubisch Memorial Public Library
Seneca County
205 Perry Street
Fostoria, Ohio 44830-2265

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Kaubisch Memorial Public Library, Seneca 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, 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 Fund History Report to the December 31, 2011 balances in documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund History Report to the December 31, 2012 balances in the Fund History Report. 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 Fund History Reports. The amounts differed by \$13 due to a double posting of a November interest receipt that was not corrected until February of 2014. We recommend the Fiscal Officer include all reconciling items on her reconciliation and correct errors timely.
4. We confirmed the December 31, 2013 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, 2013 bank reconciliation without exception.
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 check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. 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 Fund Receipts

We selected two Public Library Fund (PLF) receipts from the Seneca County Vendor Audit Trail Report, one each from 2013 and 2012 and two from the Hancock County Public Library Fund Report, one each from 2013 and 2012.

- a. We compared the amount from the Seneca County Vendor Audit Trail report and the Hancock County Public Library Fund report to the amount recorded in the Revenue History 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 Revenue History Report to determine whether it included one PLF receipt per month from each county 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) for 2013 and one from 2012.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue History Report. We noted the Library improperly recorded property tax settlement receipts at net rather than at gross for both receipts tested. However, because we did not test all property tax receipts, our report provides no assurance regarding whether or not other similar errors occurred. We recommend the Library record property tax receipts at gross and record the auditor fees as a disbursement.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
- 2. We scanned the Revenue History Report to determine whether it included two real estate tax receipts from Hancock, Seneca and Wood Counties for 2013 and 2012. We noted the Revenue History Report included the proper number of tax receipts for each year.

Debt

- 1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2011.

2. We inquired of management, and scanned the Revenue History Report and Budget History 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 Distribution Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Distribution Journal to supporting documentation (timecard, legislatively 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 minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel file was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State and Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. 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	December 23, 2013	\$2,798.94	\$2,798.94
State income taxes	January 15, 2014	December 20, 2013	574.01	574.01
City income tax	January 15, 2014	December 20, 2013	493.67	493.67
School income tax	January 15, 2014	December 20, 2013	69.34	69.34
OPERS retirement	January 31, 2014	January 3, 2014	6,411.38	6,411.38

4. 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 Distribution Journal:
 - 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 for vacation leave was consistent with the information recorded in a. through c. above. However, an employee was paid the amount for 24.75 hours of Sick Leave when she should have been paid for 24.75 days. This resulted in an underpayment of \$1,501.79. We recommend the Fiscal Officer pay termination payments in accordance with Board policy.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Budget History 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 Budget History 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 Budget History Report for the year ended December 31, 2013 and 2012 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.19(D), 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 Budget History Report for 2013 and 2012 for the following funds: General and Evelyn Cranch Permanent Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget History 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, 2013 and 2012 for the General and Evelyn Cranch Permanent Funds, as recorded in the Budget History 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.

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 10, 2014

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KAUBISCH MEMORIAL PUBLIC LIBRARY

SENECA 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 24, 2014**