



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Orwell Library Association  
(dba Grand Valley Public Library)  
Ashtabula County  
P.O. Box 188  
Orwell, Ohio 44076

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of The Orwell Library Association dba Grand Valley Public Library (the Association) on the receipts, disbursements and balances recorded in the Associations cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Association. The Association is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Association. 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

1. We recalculated the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 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, 2016 and 2015 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Association's financial institution. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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.

### **Cash (Continued)**

6. We traced interbank account transfers occurring in December of 2016 and 2015 to the accounting records and bank statements determine if they were properly recorded. We found no exceptions.

### **Public Library Fund Receipts**

1. We haphazardly selected two Public Library Fund (PLF) receipts from the County Auditor's Payment Register from 2016 and two from 2015.
  - a. We compared the amount from the County Auditor's Payment Register to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register Report to confirm whether the receipts were recorded in the proper year. We found no exceptions.
  - c. We inspected the Receipt Register Report to determine whether it included one PLF receipt per month for 2016 and 2015. We found no exceptions.

### **Intergovernmental Receipts And Other Confirmable Cash Receipts**

1. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2016 and all from 2015. We also selected all receipts from the County Auditor's Payment Register from 2016 and all from 2015.
  - a. We compared the amount from the above reports 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.
2. We confirmed the amounts paid from Ashtabula County to the Association during 2015 and 2016 with Ashtabula County. Other than the below item, we found no other exceptions.
  - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.
  - b. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

While confirming the amounts paid to the Association, we observed Ashtabula County paid levy proceeds directly to the Association. Those proceeds collected pursuant to an Association levy under Ohio Rev. Code § 5705.23 are required to be passed through the taxing authority (The Grand Valley Local School District) before being paid to the Association. The Association should notify the School District and County as to the proper distribution procedure for the levy proceeds.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt noted agreed to the summary we used in step 3.

**Debt (Continued)**

3. We obtained a summary of note debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedule to 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 Association made the payments. We found no exceptions.
4. For new debt issued during 2016 and 2015, we inspected the debt legislation, noting the Association must use the proceeds to purchase property. We scanned the Payment Register Detail Report and observed the Association purchased property in June of 2015.
5. For new debt issued under Ohio Rev. Code Section 3375.40.
  - a. We inspected the Association's calculations showing that the maximum annual note debt service charges did not exceed 30% of the average LLGSF funding (public library funds) for 2014 and 2013. We found no exceptions.
  - b. We inspected the notes for the maximum maturity of 10 years from the date of issue of the original anticipation notes. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 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.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2017	December 29, 2016	\$1,869.33	\$1,869.33
State income taxes	January 15, 2017	December 27, 2016	\$352.92	\$352.92
Local income tax	January 31, 2017	December 31, 2016	\$389.08	\$389.08
OPERS retirement	January 30, 2017	December 29, 2016	\$2,948.86	\$2,948.86

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 Association'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, 2016 and ten from the year ended 2015 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.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We reviewed the HINKLE system to verify the Association filed their financial information within the allotted timeframe for the years ended December 31, 2016 and 2015. No exceptions noted.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Association's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the Association to assist in evaluating its receipts, disbursements and balances recorded on their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

July 20, 2017



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THE ORWELL LIBRARY ASSOCIATION DBA GRAND VALLEY PUBLIC LIBRARY

ASHTABULA 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 3, 2017