

AVON LAKE PUBLIC LIBRARY

LORAIN COUNTY

**JANUARY 1, 2012 TO DECEMBER 31, 2013
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Avon Lake Public Library
32649 Electric Boulevard
Avon Lake, Ohio 44012

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Avon Lake Public Library, Lorain County, prepared by Julian & Grube, Inc., for the period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Avon Lake Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 1, 2014

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Julian & Grube, Inc.

Serving Ohio Local Governments

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Avon Lake Public Library
Lorain County
32649 Electric Boulevard
Avon Lake, Ohio 44012

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Avon Lake Library (the Library) and the Auditor of State 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 one unidentified reconciling item at December 31, 2013 and December 31, 2012 in the amounts of \$66 and \$60, respectively, where in both instances the books were higher than the bank.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Cash Position Report to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Cash Position Report to the December 31, 2012 balances in the Cash Position 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 Cash Position Report. The amounts agreed.
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 statements. 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 interbank account transfers occurring in December of 2013 and 2012 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. 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 County Supplier Payment History Report from 2013 and two from 2012.

- a. We compared the amount from the County Supplier Payment History Report to the amount recorded in the Revenue Audit Trail 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 Audit Trail Report to determine whether it included one PLF receipt per month for 2013 and 2012. 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) for 2013 and one from 2012.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Audit Trail Report. The amounts agreed.
 - 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 Audit Trail Report to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the Revenue Audit Trail Report included the proper number of tax receipts for each year.

3. We selected two receipts from the State Distribution Transaction Lists (DTL) from 2013 and two from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Audit Trail Report. The amounts agreed, except we noted the Library did not gross up the homestead and rollback receipts for the fees in the amount of \$2,373 and \$1,957 for the years ended December 2013 and 2012, respectively.
 - 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. The prior audit documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Revenue Audit Trail Report and Expense Audit Trail 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 Journal Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal Report to supporting documentation (timecard and legislatively approved rate). 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. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files 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(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & 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 & Medicare (and social security, for employees not enrolled in pension system)	January 2, 2014	December 27, 2013	\$4,781.12	\$4,781.12
State income taxes	January 15, 2014	December 27, 2013	\$2,346.45	\$2,346.45
Local income tax	January 31, 2014	December 27, 2013	\$1,497.64	\$1,497.64
OPERS retirement	January 31, 2014	December 27, 2013 & January 9, 2014	\$11,406.42	\$11,406.42

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 Journal Report:
- Accumulated leave records
 - The employee's pay rate in effect as of the termination date
 - The Library'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 Check Report by Check Number for the year ended December 31, 2013 and ten from the year ended 2012 and determined whether:
 - The disbursements were for a proper public purpose. We found no exceptions.
 - 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 Check Report by Check Number Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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.
- We scanned the Expense Audit Trail Report for the years ended December 31, 2013 and 2012 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purposes 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 Expense Report for 2013 and 2012 for the following funds: General Fund and Building Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Reports except for the amount on the 2012 appropriation resolution was \$80,041 lower than the amounts recorded in the Expense Report for the General Fund.
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 the Building fund, as recorded in the Expense Report. We noted no funds for which expenditures exceeded appropriations, except for the General Fund had expenditures for 2013 in excess of total Trustee approved appropriations by \$54,709, contrary to Ohio Admin. Code Section 117-8-02. The Fiscal Officer should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations if necessary and if resources are available.

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, the Auditor of State, and others within the Library, and is not intended to be, and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.
April 14, 2014

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Dave Yost • Auditor of State

AVON LAKE PUBLIC LIBRARY

LORAIN 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 13, 2014