

**LIMA PUBLIC LIBRARY
ALLEN COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2013 and 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Trustees
Lima Public Library
650 West Market Street P.O. Box 298
Lima, OH 45801

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Lima Public Library, Allen County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Lima 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

July 17, 2014

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**LIMA PUBLIC LIBRARY
ALLEN COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 23, 2014

Lima Public Library
Allen County
650 West Market Street
P.O. Box 298
Lima, OH 45801

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the **Lima Public Library**, Allen County, Ohio (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 no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Year to Date Fund Period 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 Year to Date Fund Period Report to the December 31, 2012 balances in the Year to Date Fund Period 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 Year to Date Fund Period Reports. One certificate of deposit balance was recorded at \$409 less than the actual amount in the certificate of deposit bank statement due to interest not being recorded. All other amounts agreed without exception.
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.

Cash and Investments (Continued)

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 amount and date written 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 Allen County Checks Browse Report from 2013 and two from 2012.

- a. We compared the amount from the Allen County Checks Browse Report to the amount recorded in the Detail Revenue Transaction 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 Detail Revenue Transaction Report to determine whether it included one PLF receipt per month for 2013 and 2012. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2013 and all from 2012. We also selected all receipts from the Allen County Checks Browse Report from 2013.
 - a. We compared the amount from the above reports to the amount recorded in the Detail Revenue Transaction Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. 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 loan outstanding as of December 31, 2011. This amount agreed to the Library's January 1, 2012 balance on the summary we used in step 3.

| Issue | Principal outstanding as of December 31, 2011: |
|-----------|--|
| Bank Loan | \$1,100,000 |

2. We inquired of management, and scanned the Detail Revenue Transaction Report and the Detail Expense Transaction Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.

3. We obtained a summary of loan debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedule to Capital Projects Fund payments reported in the Detail Expense Transaction Report. We also compared the date the debt service payments were due to the date the Library made the payments. We found no exceptions.

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 Detail Check Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Detail Check Register 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 minute record. 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, 2013 to determine whether the remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employers 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 31, 2014 | December 27, 2013 | \$ 6,058.27 | \$ 6,058.27 |
| State income taxes | January 15, 2014 | January 8, 2014 | \$ 1,852.62 | \$ 1,852.62 |
| OPERS retirement | January 30, 2014 | January 14, 2014 | \$ 23,372.83 | \$ 23,372.83 |
| School district taxes | January 15, 2014 | January 8, 2014 | \$ 152.26 | \$ 152.26 |
| Local income tax – Village of Elida | January 20, 2014 | December 30, 2013 | \$ 23.71 | \$ 23.71 |
| Local income tax – Village of Cairo | January 20, 2014 | December 31, 2013 | \$ 57.55 | \$ 57.55 |
| Local income tax – City of Lima | January 31, 2014 | December 31, 2013 | \$ 47.96 | \$ 47.96 |

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check Register for the year ended December 31, 2013 and ten from the year ended 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 Check Register 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.

Compliance – Budgetary

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Year to Date/Month to Date Expense Report for 2013 and 2012 for the following funds: General Fund and Capital Projects Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year to Date/Month to Date Expense Report.

Compliance – Budgetary (Continued)

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 Capital Projects fund, as recorded in the Year to Date/Month to Date Expense Report. We noted that the Capital Projects Fund expenditures for 2013 exceeded appropriations by \$1,015,022, contrary to Ohio Admin. Code Section 117-8-02. The Fiscal Officer should deny payment requests exceeding appropriations. The Treasurer may request the Trustees to approve increased expenditures 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 and 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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Dave Yost • Auditor of State

LIMA PUBLIC LIBRARY

ALLEN 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
JULY 29, 2014