



Dave Yost • Auditor of State





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

Ritter Public Library  
Erie County  
5680 Liberty Avenue  
Vermilion, Ohio 44089-1198

We have performed the procedures enumerated below, with which the Board of Trustees (the Board) and the management of Ritter Public Library, Erie 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, 2015 and 2014, 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, 2015 and December 31, 2014 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 Fund Ledger Report. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in documentation in the prior year agreed-upon procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and December 31, 2014 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the December 31, 2015 year-end bank balances on the financial institutions' websites. The balances agreed. We also compared the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation. The confirmed mutual funds balance at December 31, 2015 was \$141 less than the mutual funds balance reported in the December 31, 2015 bank reconciliation in the accounting system. The Fiscal Officer should ensure accurate account balances are reflected in the accounting system and monthly reconciliations.

### **Cash and Investments (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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 Payment Listing Report, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2015 and December 31, 2014 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 Erie County Auditor Local Government Confirmation from 2015 and two from 2014. We also selected two (PLF) receipts from the Lorain County Local Government Confirmation from 2015 and two from 2014.

- a. We compared the amount from the reports above to the amount recorded in the Receipt Register 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 Receipt Register Report to determine whether it included one PLF receipt per County, per month for 2015 and 2014. We found no exceptions.

### **Property Taxes**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) from the Erie County Auditor for 2015 and one from 2014. We also selected a property tax receipt from one *Statement* from the Lorain County Auditor for 2015 and one from 2014.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed except for the 2015 Lorain County settlement. The 2015 Lorain County second half property tax settlement was posted net of administrative fees, resulting in General Fund receipts and disbursements being understated by \$3,015. We recommend property tax receipts be posted based upon the proper corresponding *Statement* at gross including administrative fees. The administrative fees should then, correspondingly, be posted as offsetting expenditures. However, because we did not test all property tax receipts, our report provides no assurance regarding whether or not other similar errors occurred.

### **Property Taxes (Continued)**

- 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 Ledger Report to determine whether it included two real estate tax receipts per County for 2015 and 2014. We noted the Revenue Ledger Report included the proper number of tax receipts for each year.

### **Over-The-Counter Cash Receipts**

We haphazardly selected ten over-the-counter cash receipts from the year ended December 31, 2015 and ten over-the-counter cash receipts from the year ended December 31, 2014 recorded in the Receipt Register Report and determined whether the:

- a. Amount charged complied with rates in force during the audit period, where applicable. We found no exceptions.
- b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Wage and Overtime Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Wage and Overtime Detail Report to supporting documentation (timecard or legislatively-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the General Information – Employee Name Report. 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 employee's 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

**Payroll Cash Disbursements (Continued)**

- 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, 2015 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 2015. 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 and Medicare	January 31, 2016	December 21, 2015	\$2,022	\$2,022
State income taxes	January 15, 2016	December 31, 2015	1,079	1,079
Local income tax (RITA)	January 31, 2016	December 31, 2015	1,038	1,038
OPERS retirement	January 30, 2016	December 29, 2015	17,997	17,997

- 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 Register - Detail Report:
  - 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 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 Report for the year ended December 31, 2015 and ten from the year ended December 31, 2014 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 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.

### **Non-Payroll Cash Disbursements (Continued)**

2. We scanned the Payment Register Detail Report for the years ended December 31, 2015 and 2014 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, 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 Appropriation Status Report for 2015 and 2014 for the following funds: General and Edge Estate. The amounts on the appropriation measures agreed to the amounts recorded in the Appropriation Status Report for the Edge Estate Fund. In 2015 the Appropriation Status Report recorded total appropriations of \$1,408,947 for the General Fund, while the appropriations as authorized by the Board were \$1,406,182 resulting in a variance of \$2,765. In 2014 the Appropriation Status Report recorded total appropriations of \$1,888,324 for the General Fund, while the appropriations as authorized by the Board were \$1,637,117 resulting in a variance of \$251,207. The Fiscal Officer should periodically compare amounts recorded in the Appropriation Status Report to amounts authorized by the Board to assure they agree. If they amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes.
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, 2015 and 2014 for the General and Edge Estate fund, as approved by the Board. We noted no funds for which expenditures exceeded appropriations.

### **Other Compliance**

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Library filed its financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. We noted no exceptions for the year ended December 31, 2015. For the year ended December 31, 2014 financial information was filed on March 25, 2015, which was not within the allotted timeframe. The Fiscal Officer should ensure timely filing of financial information.

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 initial "D" and a long, sweeping tail on the "y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

December 1, 2016





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RITTER PUBLIC LIBRARY

ERIE 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  
JANUARY 10, 2017