



Dave Yost • Auditor of State





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

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

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Lima Public Library (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, 2014 beginning fund balances recorded in the YTD Fund Period Report to the December 31, 2013 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the YTD Fund Report to the December 31, 2014 balances in the YTD Fund Period Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the YTD Fund Report and YTD Fund Period Report, respectively. At December 31, 2014, we noted that the reconciliation for the main checking account did not properly roll up to the overall reconciliation of all deposit accounts. This was due to a \$50 deposit in transit that was excluded in the December 31, 2014 bank reconciliation for the main checking account. The Library should ensure that all reconciling debits and credits are properly included on the reconciliations in order to properly present the Library's actual cash balance. We also noted that the Library's Huntington Trust account is being reported by the Library at market value rather than at cost value. Since the Library maintains their accounting records on the cash basis of accounting, all investments should be reported at the cost value.

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

4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.
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 check register, 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 Allen County YTD Detail Expenditure Report from 2015 and two from 2014.

- a. We compared the amount from the Allen County YTD Detail Expenditure Report to the amount recorded in the YTD Revenue 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 YTD Revenue Report to determine whether it included one PLF receipt per month for 2015 and 2014. 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 YTD Revenue Report and Detailed Expense 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 Detailed Check Register Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Detailed Check Register Report 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.

**Payroll Cash Disbursements (Continued)**

2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files and file folders for tax forms 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 & 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<br/>(plus employer share,<br/>where applicable)</b> | <b>Date<br/>Due</b> | <b>Date<br/>Paid</b> | <b>Amount<br/>Due</b> | <b>Amount<br/>Paid</b> |
|--|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes & Medicare                                    | January 31, 2016    | December 24, 2015    | 5,264.67              | 5,264.67               |
| State income taxes   | January 15, 2016    | December 28, 2015    | 1,644.07              | 1,644.07               |
| Local income tax – Village of Cairo                                | January 20, 2016    | December 24, 2015    | 61.52                 | 61.52                  |
| Local income tax – Village of Elida                                | January 20, 2016    | December 24, 2015    | 23.52                 | 23.52                  |
| Local income tax – City of Lima                                    | January 15, 2016    | December 24, 2015    | 1,189.79              | 1,189.79               |
| Local income tax – Village of Spencerville                         | January 31, 2016    | December 24, 2015    | 57.87                 | 57.87                  |
| OPERS retirement   | January 30, 2016    | January 28, 2016     | 22,158.91             | 22,158.91              |

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 Detailed Check Register 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 Detailed Expense Report for the year ended December 31, 2015 and ten from the year ended 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 Detailed Expense 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.

### **Compliance – Budgetary**

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the MTD/YTD Expense Report for 2015 and 2014 for the following funds: General and Capital Projects funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the MTD/YTD Expense 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, 2015 and 2014 for the General and Capital Projects fund, as recorded in the MTD/YTD Expense Report. We noted no funds for which expenditures exceeded appropriations.

### **Other Compliance**

1. 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 their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted for 2014. For 2015, financial information was filed on March 7, 2016 which was not within the allotted timeframe.

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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 21, 2016



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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  
OCTOBER 11, 2016