



**FAIRPORT HARBOR PUBLIC LIBRARY  
LAKE COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**



**Dave Yost • Auditor of State**





# Dave Yost • Auditor of State

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

Fairport Harbor Public Library  
Lake County  
335 Vine Street  
Fairport Harbor, Ohio 44077

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Fairport Harbor Public Library (the Library), on the receipts, disbursements and balances recorded in the Library's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Library. The Library is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Library. 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 recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Bank Reconciliation to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Bank Reconciliation to the December 31, 2016 balances in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Balance Sheet. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.

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

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 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. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2017 and 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

### **Public Library Fund Receipts**

We haphazardly selected two Public Library Fund (PLF) receipts from the Lake County distribution report from 2017 and two from 2016.

- a. We compared the amount from the Lake County distribution report to the amount recorded in the Register Report. The amounts agreed.
- b. We inspected the Register Report and observed these receipts were posted to the General Fund. We found no exceptions.
- c. We inspected the Register Report and observed the receipts were recorded in the proper year. We found no exceptions.
- d. We inspected the Register Report to determine whether it included one PLF receipt per month for 2017 and 2016. We found no exceptions.

### **Property Taxes and Intergovernmental**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Register Report. We also traced the advances noted on the Statement to the Register Report. The amounts agreed.
  - b. We inspected the Register Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Register Report to determine whether it included two real estate tax receipts plus two advances for 2017 and 2016. The Register Report included the proper number of tax receipts for each year.
3. We selected both receipts from the State Distribution Transaction Lists (DTL) from 2017 and both from 2016.
  - a. We compared the amount from the above report to the amount recorded in the Register Report. The amounts agreed.
  - b. We inspected the Register Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
  - c. We inspected the Register Report to determine 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, 2015.
2. We inquired of management, and inspected the Register Report and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We inspected the fund and account code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to confirm 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 2017. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b><u>Date Due</u></b>	<b><u>Date Paid</u></b>	<b><u>Amount Due</u></b>	<b><u>Amount Paid</u></b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2018	January 4, 2018	\$2,431	\$2,431
State income taxes	January 31, 2018	December 27, 2017	411	411
Local income tax: RITA	January 15, 2018	December 27, 2017	422	422
OPERS retirement	January 31, 2018	January 31, 2018	3,440	3,440

### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Register Report for the year ended December 31, 2017 and ten from the year ended December 31, 2016 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 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.

### **Compliance – Budgetary**

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Statement of Activities Report for 2017 and 2016 for the Library's two funds; the General Fund and the Building and Repair Fund. The amounts on the appropriation resolution agreed to the amounts recorded in the accounting system for the General Fund, however, the Building and Repair Fund appropriations were not recorded in the accounting system. The Library should ensure the appropriations for each fund are recorded in the accounting system.
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, 2017 and December 31, 2016 for the General Fund and Building and Repair Fund, as recorded in the Statement of Activities Report. We observed that no funds for which expenditures exceeded appropriations.

### **Other Compliance**

Ohio Rev. Code Section 117.38 requires libraries to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Library's deadline where the initial filing was filed on time but incomplete. We confirmed the Library filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

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 Library'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 to provide assistance in the evaluation of the Library's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

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

August 7, 2018

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# Dave Yost • Auditor of State

FAIRPORT HARBOR PUBLIC LIBRARY

LAKE 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 28, 2018