



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Milan-Berlin Township Public Library
Erie County
19 East Church Street
P.O. Box 1550
Milan, Ohio 44846-1550

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Milan-Berlin Township 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in documentation in the prior year agreed-upon procedures working papers. 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 the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and December 31, 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the Library's financial institution. We found no exceptions. We also compared the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation and noted investment balances per the bank reconciliation and accounting system were \$32,225 higher than the amounts confirmed with the financial institutions because the Clerk-Treasurer reported certain accounts at fair market value rather than on a cost basis. The Clerk-Treasurer should update the carrying value of investments to accurately reflect the investments' cost basis acquisition price.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 bank reconciliation:

- a. We traced two debits to the subsequent January bank statement. We found no exceptions. The remaining three debits are still outstanding as of the current date.
 - b. We traced the amounts and dates to the Payment Register Detail Report, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2014 and 2013 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, 2014 and December 31, 2013 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 2014 and two from 2013. We also selected two Public Library Fund (PLF) receipts from the Huron County Auditor Local Government Confirmation from 2014 and two from 2013.

- a. We compared the amount from the County Auditor Local Government Confirmations to the amount recorded in the Receipt Detail 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 Ledger Report to determine whether it included one PLF receipt per County, per month for 2014 and 2013. 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 2014 and one from 2013. We also selected a property tax receipt from one *Statement* from the Huron County Auditor for 2014 and one from 2013.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Detail 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 Ledger Report to determine whether it included two real estate tax receipts per County for 2014 and 2013. We noted the Revenue Ledger Report included the proper number of tax receipts for each year.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2012.
2. We inquired of management, and scanned the Receipt Detail Report and Payment Register Detail Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted no new debt issuances, nor any debt payment activity during 2014 or 2013.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, 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 employees' personnel files or minute record. 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 or minute record 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, 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, 2014 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 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2015	January 6, 2015	\$4,221	\$4,221
State income taxes	January 15, 2015	January 12, 2015	784	784
Village of Milan income tax	January 31, 2014	January 6, 2015	237	237
School District income tax	January 31, 2015	January 12, 2015	39	39
OPERS retirement	January 30, 2015	January 6, 2015	7,421	7,421

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 Wage 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 Detail Report for the year ended December 31, 2014 and ten from the year ended December 31, 2013 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 Detail 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.
2. We scanned the Payment Register Detail Report for the years ended December 31, 2014 and 2013 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 2014 and 2013 for the following funds: General and Milan Memorial. The amounts on the appropriation measures agreed to the amounts recorded in the Appropriation Status 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, 2014 and 2013 for the General and Milan Memorial funds, as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.

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 "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 6, 2015

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MILAN- BERLIN TOWNSHIP 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
SEPTEMBER 3, 2015**