



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Troy-Miami County Public Library
Miami County
419 West Main Street
Troy, Ohio 45373

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Troy-Miami County 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, 2018 and 2017 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the 2017 YTD Fund Period Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the 2018 YTD Fund Period Report to the December 31, 2017 balances in the 2017 YTD Fund Period Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the YTD Fund Period Report. We found no exceptions for 2017. The 2018 YTD Fund Period Report showed a total fund balance of \$2,716,786; however, the year-end 2018 bank reconciliation showed a reconciled total fund balance of \$2,716,090. This was a variance of \$696. A portion of the variance is explained below in item #4. The Library should verify that the Library's total reconciled balance agrees to the total accounting system fund balance for each monthly bank reconciliation. Failure to do so could result in errors or irregularities occurring and not being detected in a timely manner.
4. We confirmed December 31, 2018 bank account balances with the Library's financial institutions. We also observed year-end bank balances on the financial institution's website. We found no exceptions and the balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation. There was an exception for one account.

Cash and Investments (Continued)

An account held on behalf of the Library with the Troy Foundation reported a balance of \$1,031; however, the Library's December 31, 2018 bank reconciliation reported this account with a balance of \$500, resulting in a variance of \$531. The Library should verify that all account balances are correctly reported on the monthly bank reconciliation. Failure to do so could result in errors or irregularities occurring and not being detected in a timely manner.

5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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 inspected the 2017 YTD Fund Period Report to determine whether the Finding For Adjustment identified in the prior audit report, due from the general fund, payable to the imagination library fund, was properly posted to the report. We found no exceptions.
7. We inspected investments held at December 31, 2018 and December 31, 2017 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 Miami County Vendor Fiscal Year Summary Report from 2018 and two from 2017.

- a. We compared the amount from the Vendor Fiscal Year Summary Report to the amount recorded in the Revenue Detail Report. The amounts agreed.
- b. We inspected the Revenue Detail Report and observed these receipts were posted to the General Fund. We found no exceptions.
- c. We inspected the Revenue Detail Report and observed the receipts were recorded in the proper year. We found no exceptions.
- d. We inspected the Revenue Detail Report to determine whether it included one PLF receipt per month for 2018 and 2017. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2018 and one from 2017:
 - a. We traced the gross receipt from the *Statement* to the amount recorded in the Revenue Detail Report. The amounts agreed.
 - b. We inspected the Revenue Detail Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Detail Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Revenue Detail Report included the proper number of tax receipts for each year.

Property Taxes and Intergovernmental Cash Receipts (Continued)

3. We selected all four receipts from the State Distribution Transaction List (DTL) from 2018 and all four from 2017. We also selected a sample (agreed upon) of five receipts from the Miami County Vendor Fiscal Year Summary Report from 2018 and five from 2017.
 - a. We compared the amount from the above report(s) to the amount recorded in the Revenue Detail Report. The amounts agreed.
 - b. We inspected the Revenue Detail Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Revenue Detail 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, 2016.
2. We inquired of management, and inspected the Revenue Detail Report and Expense Detail Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Detail Check Register by Pay Period and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Check Register by Pay to supporting documentation (timecard, legislatively-approved rate or salary). We found no exceptions.
 - b. 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 minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we inspected the employees' personnel files and minute record for the following information and compared it 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 procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. We observed the following:

Payroll Cash Disbursements (Continued)

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|--|---|----------------------|-----------------------|--------------------|
| Federal income taxes & Medicare | January 31, 2019 | December 21, 2018 | \$3,018.91 | \$3,018.91 |
| State income taxes | January 15, 2019 | January 11, 2019 | \$1,160.93 | \$1,160.93 |
| Local income taxes | January 31, 2019 and January 15, 2019 | December 21, 2018 | \$1,217.71 | \$1,217.71 |
| School district income taxes | January 15, 2019 | January 11, 2019 | \$824.35 | \$824.35 |
| OPERS retirement | January 30, 2019 | January 28, 2019 | \$22,448.43 | \$22,448.43 |

4. We 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 Detail Check Register by Pay Period 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 selected a sample (agreed upon) of 10 disbursements from the Expense Detail Report for the year ended December 31, 2018 and 10 from the year ended 2017 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 Expense Activity by Account 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 inspected the Expense Activity by Account Report for the year ended December 31, 2018 and 2017 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 MTD/YTD Expense Report for Month 12 for 2018 and 2017 for the following funds: the General Fund, Ada Pressman Fund, and the Building and Repair Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the MTD/YTD Expense Report for Month 12.

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, 2018 and 2017 for the General Fund, Ada Pressman Fund, and the Building and Repair Fund, as recorded in the MTD/YTD Expense Report for Month 12. We observed no funds for which expenditures exceeded appropriations.

Other Compliance

1. 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, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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, 2018 and 2017 in the Hinkle System. There were no exceptions.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.

We selected three credit card transactions in 2018 and three in 2017 for testing. For selected transactions we inspected documentation to determine that:

- i. Use was by an authorized user within the guidelines established in the policy, and
- ii. Each transaction was supported with original invoices and for a proper public purpose.

We found 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, 2018 and 2017, 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 "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber
Auditor of State
Columbus, Ohio

July 22, 2019

OHIO AUDITOR OF STATE KEITH FABER



TROY-MIAMI COUNTY PUBLIC LIBRARY

MIAMI 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 8, 2019**