



OHIO AUDITOR OF STATE
KEITH FABER



TUSCARAWAS COUNTY PUBLIC LIBRARY
TUSCARAWAS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Tuscarawas County Public Library
Tuscarawas County
121 Fair Avenue NW
New Philadelphia, Ohio 44663

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Tuscarawas County Public Library, Tuscarawas County, Ohio (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 YTD Fund 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 YTD Fund Report to the December 31, 2017 balances in the YTD Fund 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 Report. The amounts agreed.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
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.

Cash and Investments (Continued)

6. We selected the only reconciling credit (such as deposits in transit) from the December 31, 2018 bank reconciliation:
 - a. We traced the transfer from the general bank account to the payroll clearing account in December 2018. We found no exceptions.
 - b. We agreed the credit amount from the December 2018 general bank account reconciliation to the debit amount from the December 2018 payroll clearing account bank reconciliation.
7. We traced intrabank account transfers occurring in December of 2018 and 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. 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 §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. We noted no exceptions.

Public Library Fund Receipts

We selected two Public Library Fund (PLF) receipts from the County GL Audit Export Reports from 2018 and two from 2017.

- a. We compared the amount from the County GL Audit Export Report to the amount recorded in the Detail Revenue Transactions Report. The amounts agreed.
- b. We inspected the Detail Revenue Transactions Report and observed these receipts were posted to the General Fund. We found no exceptions.
- c. We inspected the Detail Revenue Transactions Report and observed the receipts were recorded in the proper year. We found no exceptions.
- d. We inspected the Detail Revenue Transactions 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 receipts from the *Statement* to the amount recorded in the Detail Revenue Transactions Report. The amounts agreed.
 - b. We inspected the Detail Revenue Transactions Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Detail Revenue Transactions Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Detail Revenue Transactions Report included the proper number of tax receipts for each year.
3. We selected all four receipts from the State Distribution Transaction Lists (DTL) from 2018 and all three receipts from 2017. We also selected the only receipt from the County Auditor's GL Audit Export Reports from 2018 and the only receipt from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Detail Revenue Transactions Report. The amounts agreed.
 - b. We inspected the Detail Revenue Transactions Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Detail Revenue Transactions 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 Detail Revenue Transactions Report and Detail Expense Transactions Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of note debt activity for 2018 and 2017 and noted that no payments were due until June 2019. We reviewed the Detail Expense Transactions Report noting no payments from any funds. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Building and Repair fund per the Detail Revenue Transactions Report. The amounts agreed.
5. For new debt issued during 2018, we inspected the debt legislation, which stated the Library must use the proceeds to purchase, lease, construct, remodel, renovate, or otherwise equip and furnish buildings or parts of buildings and other real property, and purchase, lease, or otherwise acquire motor vehicles and other personal property, necessary for the proper maintenance and operation of the Tuscarawas County Public Library. We inspected the Detail Expense Transactions Report and observed the Library made payments to architect and engineering firms in relation to the Library's renovation project between September and December 2018. As of December 31, 2018, we noted that of the total \$3,000,000 issuance, \$100,229 was spent prior to year-end, leaving unspent proceeds of \$2,899,771.
6. For new debt issued under Ohio Rev. Code § 3375.404:
 - a. We inspected the Library's calculations showing that the maximum annual note debt service charges did not exceed 40% of the average LLGSF funding (public library funds) for 2017 and 2016. We found no exceptions.
 - b. We inspected the notes for the maximum maturity of 10 years from the date of issue of the original anticipation notes. We found no exceptions.

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 Complete Check Listing Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail History Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes 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. For any new employees selected in procedure 1 we inspected the employees' personnel files 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

We found no exceptions related to procedures a. – e. above.

Payroll Cash Disbursements (Continued)

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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2019	January 18, 2019	\$4,073	\$4,073
State income taxes	January 15, 2019	January 2, 2019	1,520	1,520
Local income tax	January 31, 2019	December 18, 2018	1,752	1,752
OPERS retirement	January 30, 2019	January 30, 2019	24,971	24,971

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 History 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 Detail Expense Transactions 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 Detail Expense Transactions 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 Detail Expense Transactions Report for the year ended December 31, 2018 and 2017 and determined that the proceeds from the levy passed under Ohio Rev. Code § 5705.23, were used for the purpose stated in the resolution.

Compliance – Budgetary

1. We compared total appropriations required by Ohio Admin. Code § 117-8-02, to the amounts recorded in the Current MTD/YTD Expense Period Report for 2018 and 2017 for the following funds: General, Building and Repair, and Memorial Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Current MTD/YTD Expense Period Report.
2. Ohio Admin. Code § 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, Building and Repair and Memorial funds, as recorded in the YTD Fund Report. We observed that no funds for which expenditures exceeded appropriations.

Compliance – Budgetary (Continued)

3. We inspected the YTD Fund Report for the T.W. Hoernemann Endowment Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.

Other Compliance

1. Ohio Rev. Code § 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(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy(ies) obtained above and determined [it is] **OR** [they/are]:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.
 - b. We selected 3 credit card transactions 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, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

August 7, 2019

OHIO AUDITOR OF STATE
KEITH FABER



TUSCARAWAS COUNTY PUBLIC LIBRARY

TUSCARAWAS 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, 2019**