



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Grafton-Midview Public Library  
Lorain County  
983 Main Street  
Grafton, Ohio 44044

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Grafton-Midview 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, 2019 and 2018 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, 2019 and 2018 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, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the YTD Bank Report to the December 31, 2017 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the YTD Bank Report to the December 31, 2018 balances in the YTD Bank Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the YTD Bank Report and the financial statements filed by the Library in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance for the Library through the Ohio Pooled Collateral System or with the Library's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 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 investments held at December 31, 2019 and December 31, 2018 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.

#### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, the State Distribution Transaction Lists (DTL) and the County Auditor's Public Library Fund distribution reports from 2019 and a total of five from 2018:
  - a. We compared the amount from the above named reports to the amount recorded in the Detail Revenue Transactions by Fund Report. The amounts agreed.
  - b. We inspected the Detail Revenue Transactions by Fund Report to confirm the receipt was allocated to the proper fund. We found no exceptions.
  - c. We inspected the Detail Revenue Transactions by Fund Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Detail Revenue Transactions by Fund Report to determine whether it included two real estate tax receipts for 2019 and 2018. The Detail Revenue Transactions by Fund Report included the proper number of tax receipts for each year.
3. We inspected the Detail Revenue Transactions by Fund Report to determine whether it included one Public Library Fund receipt per month for 2019 and 2018. We found no exceptions.

#### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2017.
2. We inquired of management, and inspected the Detail Revenue Transactions by Fund Report and Detail Expense Transactions by Fund Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. There were no new debt issuances, nor any debt payment activity during 2019 or 2018.

#### **Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Details Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Details Reports to supporting documentation (timecard, legislatively or statutorily-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. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 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 2019. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 26, 2019	\$ 2,904	\$ 2,904
State income taxes	January 15, 2020	January 14, 2020	\$1,077	\$1,077
Local income tax	January 15, 2020	January 15, 2020	\$826	\$826
OPERS retirement	January 30, 2020	December 20, 2019	\$7,019	\$7,019

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

1. We selected 10 disbursements from the Detail Expense Transactions by Fund Report for the year ended December 31, 2019 and 10 from the year ended 2018 and determined whether:
  - a. The disbursements were for a proper public purpose. Library check #5325, dated December 31, 2018 and paid to Amazon, included a purchase for \$11. We were unable to determine if the purchase was for a proper public purpose since the Library could not locate support for the purchase.
  - 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 by Fund Report and to the names and amounts on the supporting invoices. These attributes could not all be satisfied since the Library could not provide supporting documentation for the purchase made with Library check #5325, dated December 31, 2018 and paid to Amazon. Additionally, Library memo #5326, was used to pay the Library's May 31, 2018 Huntington National Bank credit card statement. However, the transaction was not recorded in the Library's Expense Journal until December 31, 2018. Also, Library check #5441 was prepared erroneously. The Fiscal Officer stated she did not remove a batch of checks from the printer and reload new checks before printing. This resulted in the Library check #5441 also bearing #5468, a computer generated number, depicted in the body of the check document, which is also the check number recorded in the Library's Detail Expense Transactions by Fund Report. This weakness caused the preprinted number to not match the computer generated check number.
  - 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. Ohio Admin. Code Section 117-8-02 prohibits spending in excess of budgeted amounts. We compared total expenditures to total approved appropriations plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General Fund, Hendrix Revenue Fund and Building Fund. We observed that no funds for which expenditures exceeded appropriations.

2. We inspected the Detail Expense Transactions by Fund Report for the Hendrix Revenue Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.

### **Sunshine Law Compliance**

1. We obtained and inspected the Library's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code § 149.43(E)(2) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with Library management and determined that the Library did not have any completed public records requests during the engagement period.
3. We inquired with Library management and determined that the Library did not have any denied public records requests during the engagement period.
4. We inquired with Library management and determined that the Library did not have any public records requests with redactions during the engagement period.
5. We inquired whether the Library has a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
6. We inquired whether the Library had written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). The Library did not have a written evidence that the Public Records Policy was provided to the records custodian/manager.
7. We inspected the Library's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
8. We inquired whether the Library's poster describing their Public Records Policy was displayed conspicuously in all branches of the Library as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
9. We inquired with Library management and determined that the Library did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with Library management and determined that the Library did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
11. We inspected the public notices for the public meetings held during the engagement period and determined the Library notified the general public and news media of when and where meetings during the engagement period are to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting

- b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.
- We found no exceptions.

13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
- a. Executive sessions were only held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.
- We found no exceptions.

### 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, 2019 and 2018 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 obtained above and determined it is:
- i. in compliance with the HB 312 statutory requirements, and
  - ii. implemented by the entity.
- We found no exceptions.
- b. We selected 1 credit card transaction from each credit card account 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.
- c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
  - ii. Ending statement balance was paid in full, and
  - iii. Statement contained no interest or late fees.

The July 2018 and October 2019 statements carried unpaid beginning balances forward to the current billing cycle and contained finance charges of \$103 and \$79, respectively. These finance charges (along with others) were detected by management and refunds for each were appropriately made by Huntington Bank. Additionally, the July 2018 statement balance was not paid in full, since there was \$293 remaining unpaid.

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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

September 10, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**GRAFTON – MIDVIEW PUBLIC LIBRARY**

**LORAIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/22/2020**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)