



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Defiance Public Library
Defiance County
320 Fort Street
Defiance, Ohio 43512

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Defiance Public Library, Defiance 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, 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 YTD Fund Summary Report 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 YTD Fund Summary Report to the December 31, 2016 balances in the YTD Fund Summary Report. 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 YTD Fund Summary Report. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation with one exception noted. The bank confirmation amounts exceeded the system balance by \$5,622.80 due to accrued interest earned on certificate of deposits. We recommend the Library receipt interest at the time it is credited to the certificate of deposits.
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 statements. 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.
7. We inspected investments held at December 31, 2017 and December 31, 2016 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 haphazardly selected two Public Library Fund (PLF) receipts from the Defiance County Vendor Transaction Disbursement Report from 2017 and two from 2016.

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

Property Taxes

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 Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Ledger to determine whether it included two real estate tax receipts. The Revenue Ledger included the proper number of tax receipts for each year.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Revenue Ledgers and Expense Ledgers 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 Earnings History Report and:
 - a. We compared the hours and pay rate recorded in the Earnings History Report to supporting documentation (timecard or legislatively approved rate). 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 and minute records. 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 authorization (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, 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2018	December 27, 2017	\$4,556.19	\$4,556.19
State income taxes	January 15, 2018	January 12, 2018	1,357.78	1,357.78
School district income taxes	January 15, 2018	January 12, 2018	439.83	439.83
Local income tax - Defiance City	January 15, 2018	December 26, 2017	1,017.48	1,017.48
Local income tax - Village of Hicksville	January 15, 2018	December 21, 2017	199.84	199.84
Local income tax - Village of Sherwood	January 15, 2018	December 21, 2017	117.67	117.67
OPERS retirement	January 30, 2018	December 29, 2017	14,343.83	14,343.83

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expense Ledger 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 Expense Ledger 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 Ledger for the year ended December 31, 2017 and 2016 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purposes 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 Expense Ledger for 2017 and 2016 for the following funds: General, Building and Repair, and Permanent Improvement funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Ledger.
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 2016 for the General, Building and Repair, and Permanent Improvement funds, as recorded in the Expense Ledger. 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 upon 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.



Dave Yost
Auditor of State

Columbus, Ohio

July 18, 2018



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DEFIANCE PUBLIC LIBRARY

DEFINACE 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, 2 2018