



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Northwest Regional Library System
Wood County
181 1/2 South Main Street
Bowling Green, Ohio 43402

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Northwest Regional Library System, Wood County, Ohio (the Library) on the receipts, disbursements and balances recorded in the Library's cash basis accounting records for the fiscal years ended June 30, 2020 and 2019 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 fiscal years ended June 30, 2020 and 2019 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 June 30, 2020 and June 30, 2019 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2018 beginning fund balances recorded in the Cash Journal to the June 30, 2018 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2019 beginning fund balances recorded in the Cash Journal to the June 30, 2019 balances in the Cash Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the June 30, 2020 and 2019 fund cash balances reported in the Cash Journal and the financial statements filed by the Library in the Hinkle System. The amounts agreed.
4. We confirmed the June 30, 2020 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 June 30, 2020 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the June 30, 2020 bank reconciliation:
 - a. We traced each debit to the subsequent July and August bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior June 30, 2020. There were no exceptions.

6. We selected all reconciling credits (such as deposits in transit) from the June 30, 2020 bank reconciliation:
 - a. We traced each credit to the subsequent July bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register. Each credit was recorded as a July receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at June 30, 2020 and June 30, 2019 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.

Intergovernmental Cash Receipts

We selected a total of five receipts from the State Distribution Transaction Lists (DTL) from 2020 and a total of five from 2019:

- a. We compared the amount from the above named report to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. We inspected the Receipt Ledger to confirm the receipt was determine these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the Receipt Ledger to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected 10 over-the-counter cash receipts from the fiscal year ended June 30, 2020 and 10 over-the-counter cash receipts from the fiscal year ended June 30, 2019 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Receipt Ledger. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Ledger to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of June 30, 2018.
2. We inquired of management, and inspected the Cash Journal for evidence of debt issued during fiscal years 2020 or 2019 or debt payment activity during fiscal years 2020 or 2019. There were no new debt issuances, nor any debt payment activity during fiscal years 2020 or 2019.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from fiscal year 2020 and one payroll check for five employees from fiscal year 2019 from the Individual Payroll Sheets and:
 - a. We compared the hours and pay rate, or salary recorded in the Individual Payroll Sheets to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.

- b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
- c. 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.
- d. For any new employees selected, 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:
 - i. Name
 - ii. Authorized salary or pay rate and department and fund to which the check should be charged
 - iii. Retirement system, Federal, State and Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above.

- 2. We inspected the last remittance of tax and retirement withholdings for the fiscal year ended June 30, 2020 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare (and social security, for employees not enrolled in pension system)	July 31, 2020	June 26, 2020	\$942.88	\$942.88
State income taxes	July 15, 2020	June 26, 2020	\$100.16	\$100.16
Local income tax	July 31, 2020	June 26, 2020	\$47.68	\$47.68
OPERS retirement	July 31, 2020	June 26, 2020	\$2,225.38	\$2,225.38

Non-Payroll Cash Disbursements

- 1. From the Appropriations Ledger, we re-footed checks recorded as General Fund disbursements for *property maintenance* for fiscal year 2020. We found no exceptions.
- 2. We selected 10 disbursements from the Appropriations Ledger for the fiscal year ended June 30, 2020 and 10 from the fiscal year ended June 30, 2019 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 Appropriation 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.

Compliance – Budgetary

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 fiscal years ended June 30, 2020 and 2019 for the General fund. We observed that no funds for which expenditures exceeded appropriations.

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 149.43(B)(7)(c) 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 whether the Library had 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.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. 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.
6. We observed that 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.
7. 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.
8. We inspected individual training certificates and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
9. 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 were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. 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.

11. 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 fiscal years ended June 30, 2020 and 2019 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.
 - a. We inspected the established policy(ies) 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.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 fiscal years ended June 30, 2020 and 2019, 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

January 21, 2021

OHIO AUDITOR OF STATE KEITH FABER



NORTHWEST REGIONAL LIBRARY SYSTEM

WOOD 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 2/9/2021

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This report is a matter of public record and is available online at
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