



OHIO AUDITOR OF STATE
KEITH FABER



LONDONDERRY TOWNSHIP
GUERNSEY COUNTY
DECEMBER 31, 2018 AND 2017

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dover Public Library
Tuscarawas County
525 N. Walnut Street
Dover, Ohio 44622

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Dover 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 Fund Ledger Report to the December 31, 2016 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger 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 Fund Status 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.

Efficient

Effective

Transparent

Cash and Investments (Continued)

6. We inspected the reconciling credit from the December 31, 2018 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Receipts Detail Report. This amount was not a deposit in transit, but instead was due to an error in reporting employee wages for May of 2018 where withholding payments as well as employer contribution amounts were underpaid by \$242. This amount was repaid in December and all that remained was a refund check issued to the Library in the amount of \$62 and fees of \$7.
7. We traced intrabank account transfers occurring in December of 2018 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 from 2018 and two from 2017.

- a. We compared the amount from the County GL Audit Export to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. We inspected the Receipt Register Report and observed these receipts were posted to the General Fund. We found no exceptions.
- c. We inspected the Receipt Register Report and observed the receipts were recorded in the proper year. We found no exceptions.
- d. We inspected the Receipt Register Report to determine whether it included one PLF receipt per month for 2018 and 2017. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable 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 Receipt Detail Report. Each receipt selected was improperly posted at the net amount, instead of the gross amount, resulting in an understatement of each receipt and related disbursement by \$2,745 and \$2,529 for 2018 and 2017, respectively.
 - b. We inspected the Receipt 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 Receipt Detail Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Receipt Detail Report included the proper number of tax receipts for each year.
3. We inspected the one additional receipt from the County GL Audit Export from 2018 and the one additional receipt from 2017.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Detail Report. The amounts agreed.
 - b. We inspected the Receipt Detail Report to determine that these receipts were allocated to the proper funds. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)

- c. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 and 10 over-the-counter cash receipts from the year ended 2017 recorded in the Receipt Detail Report and:

- a. Agreed the receipt amount to the amount recorded on the bank statement. While the amounts that were deposited in the bank for the 10 transactions tested in 2018 and 2017 agreed to the amounts reported in the Receipt Detail Report, we noted that the receipt did not always agree to detailed supporting documentation. This resulted in errors where amounts deposited exceeded supporting documentation amounts by \$4,527 in 2018 and \$346 in 2017. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
- b. Determined 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 December 31, 2016.
2. We inquired of management, and inspected the Receipt Detail Report and Payment Register 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 Wage Withholding Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Withholding Detail 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 minutes. 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, 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 (and social security, for employees not enrolled in pension system)	January 31, 2019	January 14, 2019	\$2,987	\$2,987
State income taxes	January 15, 2019	June 4, 2019	\$2,095	\$2,095
Local income tax	January 31, 2019	January 10, 2019	\$1,671	\$1,671
OPERS retirement	January 30, 2019	January 14, 2019	\$9,607	\$9,607

As stated above, the Library was not properly remitting withheld state taxes on a monthly basis, despite withholding greater than \$2,000 during the twelve month period ending on the 30th day of June of the preceding calendar year. Additionally, for the final withholding remittance of 2018, we noted that the Library failed to make the payment by the required due date of January 15, 2019. This was in violation of Ohio Rev. Code § 5747.07(B)(3).

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Expense Statement by Account Number 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 Payment Register Detail 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 Payment Register Detail Report for the years 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 purposes 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 Appropriation Status Report for 2018 and 2017 for the following funds: General and Building Funds. The amounts on the appropriation resolutions were less than the amounts recorded in the Appropriation Status Report for the General Fund at December 31, 2018 and 2017, by \$2,500 and \$8,080, respectively.
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 and Building Funds, as recorded in the Appropriation Status Report. We observed that no funds for which expenditures exceeded appropriations.

Other Compliance

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.

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.



Keith Faber
Auditor of State
Columbus, Ohio

July 11, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



DOVER 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
JULY 30, 2019**