



Dave Yost • Auditor of State



DISTRICT PUBLIC LIBRARY  
MEIGS COUNTY  
DECEMBER 31, 2017 AND 2016

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# Dave Yost • Auditor of State

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

District Public Library  
Meigs County  
216 West Main Street  
Pomeroy, Ohio 45769

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of District Public Library, Meigs 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 Fund Ledger 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 Fund Ledger Report to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the Fund Status Report with the exception of the payroll account totals. The register balances on the December payroll account reconciliations showed \$3,956 and \$2,155 for 2017 and 2016, respectively. The Fund Status Reports did not include these balances. This is a sweep account and should have a zero balance except for outstanding checks or deposits.
4. We confirmed the December 31, 2017 bank account balances with the Library's financial institutions. We compared the confirmed balances to the amounts appearing on the December 31, 2017 bank reconciliation. The bank reconciliation at December 31, 2017 did not include interest of \$3,937 from certificates of deposit confirmed by the Library's financial institution resulting in an understated fund balance at December 31, 2017.

### **Cash and Investments (Continued)**

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 statement. We found no exceptions.
  - b. We traced the amounts and dates to the Payment Listing Report, 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 §§ 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 haphazardly selected two Public Library Fund (PLF) receipts from the Meigs County Appropriation History Report from 2017 and two from 2016.

- a. We compared the amount from the Meigs County Appropriation History Report to the amount recorded in the Receipt Detail Report. The amounts agreed.
- b. We inspected the Receipt Detail 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 Detail Report to determine whether it included one PLF receipt per month for 2017 and 2016. We found no exceptions.

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

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 Receipt Export Report. The amounts agreed.
  - b. We inspected the Receipt Export 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 Export Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Receipt Export Report included the proper number of tax receipts for each year.
3. We haphazardly selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and all from 2016. We also haphazardly selected five receipts from the County Auditor's Appropriation History Report from 2017 and five from 2016
  - a. We compared the amount from the above reports 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 fund. 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.

**Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Receipt Detail Report and Payment Listing Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were neither 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 Payroll Details Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Details Report to supporting documentation (timecard, legislatively 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 and/or minute record. 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/or 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 authorizations (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:

<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	01/31/18	12/18/17	\$15,008	\$15,008
State income taxes	01/15/18	12/18/17	\$761	\$761
Local income tax	01/31/18	12/18/17	\$991	\$991
OPERS retirement	01/30/18	01/31/18	\$14,676	\$14,676

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

We haphazardly selected ten disbursements from the Payment Export Report for the year ended December 31, 2017 and ten from the year ended 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 Payment Export Report and to the names and amounts on the supporting invoices. We found one exception. Check 15411 on the Payment Export actually cleared the bank as check 15421. All other information (payee, date, and amount) agreed between the Payment Export Report and actual check.
- 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. We compared total appropriations required by Ohio Admin. Code § 117-8-02, to the amounts recorded in the Appropriation Status Report for 2017 and 2016 for the following funds: General and Capital Projects. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report for the Capital Projects Fund. In 2017, the Library recorded an additional \$104,626 in appropriations in the Appropriation Status report over the formally approved appropriation amount. In 2016, the Library recorded an additional \$113,166 in appropriations in the Appropriation Status report over the formally approved appropriation amount. The Board of Trustees passed a resolution on November 27, 2017 and November 28, 2016, respectively, approving "appropriations to be prepared at year end by the Fiscal Officer" which would have eliminated the variances. However, the Board of Trustees did not approve a dollar amount for this change in appropriations and did not have the authority to delegate the duty of budgeting to the Fiscal Officer.
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, 2017 and 2016 for the General and Capital Projects funds, as recorded in the Appropriation Status Report. We observed that General Fund expenditures for 2017 and 2016 exceeded total appropriations by \$59,162 and \$17,347, respectively, contrary to Ohio Admin. Code § 117-8-02. The Fiscal Officer should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations if necessary and if resources are available.

### **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, 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 up on 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.

The Library has responded to issues discussed in this report. You may obtain a copy of their response from Connie Taylor, Fiscal Officer (740) 992-5813.



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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

May 7, 2018

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# Dave Yost • Auditor of State

**MEIGS COUNTY DISTRICT PUBLIC LIBRARY**

**MEIGS 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  
MAY 29, 2018**