



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 ½ 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 the Northwest Regional Library System (the Library), on the receipts, disbursements and balances recorded in the Library's cash basis accounting records for the fiscal years ended June 30, 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 fiscal years ended June 30, 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 June 30, 2018 and June 30, 2017 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2016 beginning fund balances recorded in the Cash Journal to the June 30, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the July 1, 2017 beginning fund balances recorded in the Cash Journal to the June 30, 2017 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, 2018 and 2017 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the June 30, 2018 investment account balances with the Library's financial institution. We found no exceptions. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the June 30, 2018 bank reconciliation without exception.

5. We selected all reconciling debits (such as outstanding checks) from the June 30, 2018 bank reconciliation:
  - a. We traced each debit to the subsequent July or 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 to June 30. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) haphazardly from the June 30, 2018 bank reconciliation:
  - a. We traced each credit to the subsequent July bank statements. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Ledger. Each credit was recorded as a June receipt for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in June of 2018 and 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at June 30, 2018 and June 30, 2017 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 haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2018 and five from 2017.

- a. We compared the amount from the above reports to the amount recorded in the Receipts Ledger. The amounts agreed.
- b. We inspected the Receipts Ledger to determine that these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the Receipts Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

#### **Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the fiscal year ended June 30, 2018 and 10 over-the-counter cash receipts from the fiscal year ended June 30, 2017 recorded in the duplicate cash receipts book and:

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

#### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of June 30, 2016.
2. We inquired of management, and inspected the Cash Journal for evidence of debt issued during fiscal years 2018 or 2017 or debt payment activity during fiscal years 2018 or 2017. There were no new debt issuances, nor any debt payment activity during fiscal years 2018 or 2017.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from fiscal year 2018 and one payroll check for five employees from fiscal year 2017 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 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.
  
2. For any new employees selected in procedure 1 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:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Fund to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State and 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 fiscal year ended June 30, 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 fiscal year 2018. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	July 31, 2018	June 29, 2018	\$1,118.09	\$1,118.09
State income taxes	July 15, 2018	June 28, 2018	254.14	254.14
Local income tax	July 31, 2018	June 28, 2018	243.15	243.15
School district income tax	July 15, 2018	June 28, 2018	83.73	83.73
OPERS retirement	July 31, 2018	July 12, 2018	2,917.52	2,917.52

**Non-Payroll Cash Disbursements**

1. From the Appropriations Ledger, we re-footed checks recorded as General Fund disbursements for *property maintenance* for fiscal year 2018. We found no exceptions.
  
2. We haphazardly selected ten disbursements from the Appropriations Ledger for the year ended June 30, 2018 and ten from the year ended June 30, 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 Appropriations 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

1. We compared total appropriations required by Ohio Admin. Code Section 117-8-02, to the amounts recorded in the Appropriations Ledger for fiscal years 2018 and 2017 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriations 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 fiscal years ended June 30, 2018 and 2017 for the General Fund, as recorded in the Appropriations Ledger. We observed that expenditures did not exceed 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 June 30, 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 fiscal years ended June 30, 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 fiscal years ended June 30, 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

January 24, 2019

OHIO AUDITOR OF STATE  
**KEITH FABER**



**NORTHWEST REGIONAL LIBRARY SYSTEM**

**WOOD 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  
FEBRUARY 12, 2019**