



Dave Yost • Auditor of State

**NEWCOMERSTOWN PUBLIC LIBRARY
TUSCARAWAS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Newcomerstown Public Library
Tuscarawas County
123 East Main Street
Newcomerstown, Ohio 43832

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Newcomerstown Public Library, Tuscarawas County, Ohio (the Library), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013 and 2012, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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

1. We tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 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, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balances with the Library's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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. We noted no exceptions.

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Public Library Fund Receipts

We selected two Public Library Fund (PLF) receipts from the Tuscarawas County AP Disbursements with Description and Account Name Reports from 2013 and two from 2012.

- a. We compared the amount from the Tuscarawas County AP Disbursements with Description and Account Name Reports to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. We determined whether these receipts were posted to the General Fund. We found no exceptions.
- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
- d. We scanned the Receipt Register Report to determine whether it included one PLF receipt per month for 2013 and 2012. There were two PLF receipts in July 2012. This occurred as the County Auditor made a correction in July 2012 and sent two disbursements to the Library.

Property Taxes and Intergovernmental Receipts

- 1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
- 2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the Receipts Register Report included the proper number of tax receipts for each year.
- 3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2013 and all three receipts from 2012. We also selected all three receipts from the County Auditor's AP Disbursements with Description and Account Name Reports from 2013 and all three from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

- 1. From the prior agreed-upon procedures documentation, we noted the following loan outstanding as of December 31, 2011. This amount agreed to the Library's January 1, 2012 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2011:
USDA Cap Project Loan – Loan #97-01	\$233,600

Debt (Continued)

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2013 and 2012 and could not agree principal and interest payments from the related debt amortization schedule to General Fund, 2004 BOT / Restricted Fund and Debt Service – USDA Fund payments reported in the Payment Register Report. This occurred as the Library made payments in excess of amounts due to more quickly pay down debt. We obtained copies of the United States Department of Agriculture Rural Development Annual Statement of Loan Accounts for the years ending December 31, 2013 and December 31, 2012. We agreed all debt activity from these statements to General Fund, 2004 BOT / Restricted Fund and Debt Service – USDA Fund payments reported in the Payment Register Report with a \$10,000 exception in 2013. This occurred as the Library made a \$10,000 debt payment on December 31, 2013 that was not received by the United States Department of Agriculture until 2014 per a copy of the cleared check. As such, it was not reflected on the December 31, 2013 United States Department of Agriculture Rural Development Annual Statement of Loan Accounts.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 from the Wage Detail Report and one payroll check for five employees from 2012 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report and the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found three exceptions. We found two instances where an employee received an increase in his or her hourly pay rate that was not formally approved by the Board of Trustees. We found one instance where a newly hired employee's hourly pay rate was not formally approved by the Board of Trustees. Total potentially unauthorized pay was \$40. Because we did not test all timecards, our report provides no assurance whether or not other similar errors occurred. The Board of Trustees should approve all pay rates paid. This will help ensure all pay is properly authorized and the Library does not potentially overpay employees.
 - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' contracts and minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files and minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) 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 steps a. – f. above except the hourly pay rate for new employees was not formally approved.

Payroll Cash Disbursements (Continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2014	December 31, 2013	\$1,599	\$1,599
State income taxes	January 15, 2014	December 31, 2013	\$315	\$315
Village of Newcomerstown income taxes	January 31, 2014	December 31, 2013	\$294	\$294
OPERS retirement	January 30, 2014	December 31, 2013	\$3,524	\$3,524

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payments Report for the year ended December 31, 2013 and ten from the Payment Register Report for the year ended December 31, 2012 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 Payments Report and the Payment Register Report for 2013 and 2012, respectively, and to the names and amounts on the supporting invoices. We found one exception, as a disbursement was recorded as check number 29268 in the Payment Register Report when the actual disbursement was made on check number 26271. This error occurred as three checks were manually voided but not voided in Library's financial software, causing the sequences to disagree.
 - 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 scanned the Payments Report for the year ended December 31, 2013 and the Payment Register Report for the year ended December 31, 2012 and determined that the proceeds from the levy passed under Ohio Rev. Code Section 5705.23, were used for the purpose 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 Appropriation Status Report for 2013 and 2012 for the Library in total, as the Board approved appropriations for the Library in total. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Appropriation Status report. Appropriations recorded on the Appropriation Status Report were less than Board approved

Compliance – Budgetary (Continued)

appropriations by \$3,903 in 2013. Appropriations recorded on the Appropriation Status Report exceeded Board approved appropriations by \$480,140 in 2012. The Fiscal Officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the Board approved appropriations resolutions to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring of spending.

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, 2013 and 2012 for the Library in total. We utilized expenditures recorded in the Appropriation Status Report and appropriations approved by the Board in the minutes. We noted that Library expenditures for 2012 exceeded total appropriations by \$322,143, contrary to Ohio Admin. Code Section 117-8-02. The Fiscal Officer should deny payment requests exceeding appropriations. The Treasurer may request the Trustees to approve increased expenditure levels by increasing appropriations if necessary and if resources are available.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Library's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Library, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

May 15, 2014

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NEWCOMERSTOWN 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
JUNE 3, 2014**