



OHIO AUDITOR OF STATE
KEITH FABER





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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Portsmouth Public Library
Scioto County
1220 Gallia Street
Portsmouth, Ohio 45662

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Portsmouth Public Library (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 Statement of Cash Position Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Statement of Cash Position Report to the December 31, 2017 balances in the Statement of Cash Position 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 Statement of Cash Position Report. The amounts agreed.
4. 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 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.

6. We traced interbank account transfers occurring in December 2018 and 2017 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, 2018 and December 31, 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.

Public Library Fund Receipts

We selected two Public Library Fund (PLF) receipts from the County Audit Trail Report from 2018 and two from 2017.

- a. We compared the amount from the County Vendor Audit Trail Report to the amount recorded in the Revenue Audit Trail Report. The amounts agreed.
- b. We inspected the Revenue Audit Trail Report and observed these receipts were posted to the General Fund. We found no exceptions.
- c. We inspected the Revenue Audit Trail Report and observed the receipts were recorded in the proper year. We found no exceptions.
- d. We inspected the Revenue Audit Trail 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 Revenue Audit Trail Report. The amounts agreed.
 - b. We inspected the Revenue Audit Trail Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Audit Trail Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Revenue Audit Trail Report included the proper number of tax receipts for each year.
3. We selected a sample (agreed upon) of all four receipts from the State Distribution Transaction Lists (DTL) from 2018 and all three from 2017. We also selected a sample (agreed upon) of all four receipts from the County Auditor's Vendor Audit Trail Report from 2018 and all four from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Audit Trail Report. The amounts agreed.
 - b. We inspected the Revenue Audit Trail Report to determine that these receipts were allocated to the proper fund. We found no exceptions.

- c. We inspected the Revenue Audit Trail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amount paid from the Caskey Estate to the Library during 2017. We found no exceptions.
 - a. We inspected the Revenue Audit Trail Report to determine whether the receipt was recorded in the proper fund. We found no exceptions.
 - b. We inspected the Revenue Audit Trail Report to determine whether the receipt was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the Revenue Audit Trail and Expense Audit Trail 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 Payroll Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register 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 employees' personnel files and contracts. 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. Departments and funds 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, 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:

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	December 27, 2018	\$5,303.11	\$5,303.11
State income taxes – OH	January 15, 2019	December 27, 2018	\$1,001.12	\$1,001.12
State income taxes - KY	January 15, 2019	December 27, 2018	\$118.69	\$118.69
Portsmouth income taxes	January 15, 2019	December 27, 2018	\$1,166.34	\$1,166.34
New Boston income taxes	January 15, 2019	December 27, 2018	\$116.30	\$116.30
OPERS retirement	January 30, 2019	December 28, 2018	\$12,770.23	\$12,770.23

4. We selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Register Report:
- a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Library's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Expense Audit Trail 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 Expense Audit Trail 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 Expense Audit Trail Report for the year ended December 31, 2018 and 2017 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 Expenditure Report for 2018 and 2017 for the following funds: General and Building & Repair. For year 2017, we found the Appropriation Expenditure Report recorded an amount of \$4,409,279 and the approved appropriations were \$4,391,052, thus resulting in an unapproved appropriation amount of \$18,227 for the General fund. For year 2018, we found the Expense Report recorded an amount of \$4,388,291 and the approved appropriations were \$4,193,890, thus resulting in an unapproved appropriation amount of \$194,401 for the General Fund. Also in year 2018, we found the Expense Report recorded an amount of \$839,741 and approved appropriations were \$1,066,893, thus resulting in a variance of \$227,152 approved appropriations that were not recorded in the Expense Report for the Building & Repair Fund.
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, 2018 and 2017 for the General and Building & Repair funds, as recorded in the Appropriation Expenditure Report. We observed that no funds for which expenditures exceeded appropriations.

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 years ended December 31, 2018 and 2017 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 selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
 - i. Each transaction was supported with original invoices and for a proper public purpose.

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.

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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.

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

June 20, 2019

OHIO AUDITOR OF STATE KEITH FABER



PORTSMOUTH PUBLIC LIBRARY

SCIOTO 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 11, 2019**