



Dave Yost • Auditor of State

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings	13
Schedule of Prior Audit Findings	15

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Upper Arlington Public Library
Franklin County
2800 Tremont Rd.
Upper Arlington, OH 43221

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Upper Arlington Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2014 and 2013.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Upper Arlington Public Library, Franklin County, Ohio as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

November 30, 2015

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 2,715,046	\$ -	\$ -	\$ 2,715,046
Public Library	2,392,247	-	-	2,392,247
Intergovernmental	393,806	-	-	393,806
Patron Fines and Fees	119,066	-	-	119,066
Contributions, Gifts and Donations	2,484	63,821	-	66,305
Earnings on Investments	5,385	744	-	6,129
Miscellaneous	36,668	-	11,988	48,656
<i>Total Cash Receipts</i>	<u>5,664,702</u>	<u>64,565</u>	<u>11,988</u>	<u>5,741,255</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,218,477	45,956	-	2,264,433
Collection Development and Processing	1,067,320	4,761	-	1,072,081
Support Services:				
Facilities Operation and Maintenance	540,498	-	-	540,498
Information Services	458,269	-	-	458,269
Business Administration	951,690	2,851	-	954,541
Capital Outlay	77,553	26,544	2,773,514	2,877,611
<i>Total Cash Disbursements</i>	<u>5,313,807</u>	<u>80,112</u>	<u>2,773,514</u>	<u>8,167,433</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>350,895</u>	<u>(15,547)</u>	<u>(2,761,526)</u>	<u>(2,426,178)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	450,000	450,000
Transfers Out	(450,000)	-	-	(450,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(450,000)</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(99,105)	(15,547)	(2,311,526)	(2,426,178)
<i>Fund Cash Balances, January 1</i>	<u>2,431,617</u>	<u>307,195</u>	<u>2,640,247</u>	<u>5,379,059</u>
Fund Cash Balances, December 31				
Restricted	-	291,648	-	291,648
Committed	213,565	-	-	213,565
Assigned	-	-	328,721	328,721
Unassigned	2,118,947	-	-	2,118,947
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,332,512</u>	<u>\$ 291,648</u>	<u>\$ 328,721</u>	<u>\$ 2,952,881</u>

The notes to the financial statements are an integral part of this statement.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 2,670,063	\$ -	\$ -	\$ 2,670,063
Public Library	2,438,746	-	-	2,438,746
Intergovernmental	390,271	-	-	390,271
Patron Fines and Fees	156,974	-	-	156,974
Contributions, Gifts and Donations	2,782	88,330	-	91,112
Earnings on Investments	8,183	1,132	-	9,315
Miscellaneous	35,861	-	2,575	38,436
<i>Total Cash Receipts</i>	<u>5,702,880</u>	<u>89,462</u>	<u>2,575</u>	<u>5,794,917</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,057,775	43,380	-	2,101,155
Collection Development and Processing	1,085,384	3,615	-	1,088,999
Support Services:				
Facilities Operation and Maintenance	562,123	-	-	562,123
Information Services	372,725	-	-	372,725
Business Administration	954,159	14,082	553,246	1,521,487
Capital Outlay	73,575	15,419	-	88,994
<i>Total Cash Disbursements</i>	<u>5,105,741</u>	<u>76,496</u>	<u>553,246</u>	<u>5,735,483</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>597,139</u>	<u>12,966</u>	<u>(550,671)</u>	<u>59,434</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	680,862	680,862
Advances Out	(680,862)	-	-	(680,862)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(680,862)</u>	<u>-</u>	<u>680,862</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>(83,723)</u>	<u>12,966</u>	<u>130,191</u>	<u>59,434</u>
<i>Fund Cash Balances, January 1</i>	<u>2,515,340</u>	<u>294,229</u>	<u>2,510,056</u>	<u>5,319,625</u>
Fund Cash Balances, December 31				
Restricted	-	307,195	-	307,195
Assigned	534,364	-	2,640,247	3,174,611
Unassigned	1,897,253	-	-	1,897,253
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,431,617</u>	<u>\$ 307,195</u>	<u>\$ 2,640,247</u>	<u>\$ 5,379,059</u>

The notes to the financial statements are an integral part of this statement.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Upper Arlington Public Library, Franklin County, (the Library) as a body corporate and politic. The Mayor of the City of Upper Arlington appoints a six-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resource sharing. The CLC is further discussed in Note 7.

The Library's management believes these financial statements present all activities for which the Library is financially accountable. Note 1 to the financial statements describes these assets.

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits

The Library only maintains deposit accounts and certificates of deposit.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Funds:

UAPL Friends – This fund receives contributions made by the Friends of the Upper Arlington Library and accounts for the related expenditures.

Restricted Donations – This fund receives contributions made by other donors and accounts for the related expenditures.

3. Capital Project Fund

These funds account for and report financial resources that are assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project fund:

Building Improvement – This fund is used to account for monies set aside for building construction and improvements as well as technology outlays.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

F. **Fund Balance (Continued)**

3. **Committed**

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. **Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General Fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. **Unassigned**

Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. **Property, Plant, and Equipment**

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. **Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. **Equity in Pooled Deposits**

The Library maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

2. Equity in Pooled Deposits (Continued)

	2014	2013
Demand Deposits	\$2,777,881	\$5,179,059
Certificates of Deposit	175,000	200,000
Total	\$2,952,881	\$5,379,059

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
General	\$5,659,743	\$5,664,702	\$4,959
Special Revenue	130,000	64,565	(65,435)
Capital Projects	450,000	461,988	11,988
Total	\$6,239,743	\$6,191,255	(\$48,488)

2014 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,052,473	\$5,977,372	\$75,101
Special Revenue	202,855	84,451	118,404
Capital Projects	2,902,515	2,854,275	48,240
Total	\$9,157,843	\$8,916,098	\$241,745

2013 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
General	\$5,786,952	\$5,702,880	(\$84,072)
Special Revenue	100,000	89,462	(10,538)
Capital Projects	0	683,437	683,437
Total	\$5,886,952	\$6,475,779	\$588,827

2013 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,398,830	\$5,936,913	\$461,917
Special Revenue	173,750	98,591	75,159
Capital Projects	3,060,027	2,807,704	252,323
Total	\$9,632,607	\$8,843,208	\$789,399

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

4. Grants-in-aid and Tax Receipts

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. This method of distribution is called the "percentage of revenue" method. This method was not used for August 2011 through June 2013. During that 23 month period PLF received a designated percentage of the dollar amounts received by the fund during the corresponding month of the fiscal year 2011 "base-year" period. Effective July 2013 the statutory allocation method reverted to the "percentage of revenue" method for PLF distribution. The fund received an amount equal to a specified percentage of the amount of GRF tax revenue received during the previous month. Beginning with the July 2013 distribution the "statutory allocation method" was implemented. The calendar year 2013 entitlements were used in the computation as the basis of each county's allocation percentage. Those percentages were used through December 2013. In December 2013 the actual calendar year entitlement was computed. Any difference was adjusted evenly to the PLF distributions from January-June 2014. In calendar year 2014 the statutory entitlement computation method continued. Estimated entitlement figures were issued to County Auditors in July 2013, December 2013 and June 2014. The actual 2014 entitlements will be computed in December 2014. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June 2015.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

5. Retirement Systems

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2014.

**UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

6. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. Joint Venture

The Library is a member of the Central Library Consortium (the "CLC"). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and cooperative resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced in 1988, has fourteen members consisting of Alexandria Public Library, Bexley Public Library, Columbus Metropolitan Library, Fairfield County District Public Library, Grandview Heights Public Library, London Public Library, Marysville Public Library, Pickaway County District Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Upper Arlington Public Library, Wagnalls Memorial Library and Worthington Libraries. The Upper Arlington Public Library became a member of the CLC during January 2014. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Upper Arlington Public Library paid \$155,219 to the CLC in 2014. The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1st Ave. Columbus, Ohio 43212.

You can read additional information concerning the CLC on their website, <http://www.clcoho.org/memberlibraries>.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Upper Arlington Public Library
Franklin County
2800 Tremont Rd.
Upper Arlington, OH 43221

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Upper Arlington Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated November 30, 2015, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2014-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Library's Response to Findings

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication 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, looped "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 30, 2015

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013

FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2014-001

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. In addition, GASB Statement No. 54 requires fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources. A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Library's financial statements.

The following were material to the Library's financial statements for the year ended December 31, 2013 and were adjusted on the financial statements and posted to the Library's accounting records:

- Reclassification of fund balance of \$534,364 in the General Fund from Committed and Unassigned to Assigned.
- Reclassification of fund balance of \$22,094 in the Special Revenue Fund from Committed to Restricted.
- Reclassification of fund balance of \$2,640,247 in the Capital Projects Fund from Committed and Unassigned to Assigned.

The following were material to the Library's financial statements for the year ended December 31, 2014 and were adjusted on the financial statements and posted to the Library's accounting records:

- Reclassification of fund balance of \$4,350 in the Special Revenue Fund from Committed to Restricted.
- Reclassification of fund balance of \$328,721 in the Capital Projects Fund from Committed and Unassigned to Assigned.

The following was not material to the Library's financial statements for the year end December 31, 2014 and was not adjusted on the financial statements:

- Reclassification of fund balance of \$280,639 in the General Fund from Committed and Unassigned to Assigned.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors or irregularities that may go undetected and decrease the reliability of financial data throughout the year.

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013
(Continued)

FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2014-001 (Continued)

Financial Reporting – Material Weakness (Continued)

We recommend the Library develop policies and procedures to enhance its controls over recording of financial reporting to help ensure the information accurately reflects the activity of the Library. In addition, the Library should also review AOS Bulletin 2011-004 for guidance on GASB Statement No. 54 requirements. By exercising accuracy in recording financial activity, the Library can reduce posting errors and increase the reliability of the financial data throughout the year.

Official's Response: Management is in agreement with the reclassification of fund balances for the 2013 and 2014 financial reporting periods in accordance with GASB Statement No. 54. The filing of financial data through the Annual Financial Data Reporting System in future periods will be reconciled and validated for compliance purposes with this GASB statement through newly introduced reporting procedures that incorporate defined segregation of duties between the financial staff for the Upper Arlington Public Library.

UPPER ARLINGTON PUBLIC LIBRARY
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Expenditures Exceeded Appropriations (Ohio Admin Code § 117-8-02)	Yes	

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Dave Yost • Auditor of State

UPPER ARLINGTON PUBLIC LIBRARY

FRANKLIN 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
JANUARY 7, 2016