



Dave Yost • Auditor of State

EAST CLEVELAND PUBLIC LIBRARY
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

East Cleveland Public Library
Cuyahoga County
14101 Euclid Avenue
East Cleveland, Ohio 44112

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of East Cleveland Library, Cuyahoga County, Ohio, (the Library) as of and for the years ended December 31, 2015 and 2014.

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 opinions.

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

As described in Note 2 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 or cash flows of the Library as of December 31, 2015 and 2014, 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 East Cleveland Library, Cuyahoga County, Ohio, as of December 31, 2015 and 2014, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2017, 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

February 24, 2017

**EAST CLEVELAND PUBLIC LIBRARY
 CUYAHOGA COUNTY
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>All Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 898,625	\$	\$	\$	\$898,625
Library and Local Government Support	1,370,271				1,370,271
Intergovernmental	180,774				180,774
Patron Fines and Fees	14,015	455			14,470
Contributions, Gifts and Donations	1,800	8,768	250		10,818
Earnings on Investments	964				964
Miscellaneous	7,330		109		7,439
Total Cash Receipts	<u>2,473,779</u>	<u>9,223</u>	<u>359</u>		<u>2,483,361</u>
Cash Disbursements:					
Current:					
Public Services and Programs	612,416				612,416
Collection Development and Processing	353,984				353,984
Support Services:					0
Facilities Operation and Maintenance	205,745				205,745
Information Services	292,878				292,878
Business Administration	857,733		1,129		858,862
Capital Outlay	42,774		131,835		174,609
Total Cash Disbursements	<u>2,365,530</u>	<u>-</u>	<u>132,964</u>		<u>2,498,494</u>
Excess of Receipts Over/(Under) Disbursements	<u>108,249</u>	<u>9,223</u>	<u>(132,605)</u>		<u>(15,133)</u>
Fund Cash Balance, January 1	<u>373,798</u>	<u>5,538</u>	<u>452,635</u>	<u>3,792</u>	<u>835,763</u>
Fund Cash Balances, December 31					
Nonspendable					0
Restricted		455	320,030		320,485
Committed		14,306		3,792	18,098
Assigned	482,047				482,047
Fund Cash Balances, December 31	<u>\$482,047</u>	<u>\$14,761</u>	<u>\$320,030</u>	<u>\$3,792</u>	<u>\$820,630</u>

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

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

	<u>All Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 998,369	\$	\$	\$	\$998,369
Library and Local Government Support	1,135,003				1,135,003
Intergovernmental	184,809				184,809
Patron Fines and Fees	32,151				32,151
Contributions, Gifts and Donations	250				250
Earnings on Investments	293				293
Miscellaneous	53,463	2,600			56,063
Total Cash Receipts	<u>2,404,338</u>	<u>2,600</u>			<u>2,406,938</u>
Cash Disbursements:					
Current:					
Library Services	2,467,735				2,467,735
Total Cash Disbursements	<u>2,467,735</u>				<u>2,467,735</u>
Excess of Receipts Over/(Under) Disbursements	<u>(63,397)</u>				<u>(60,797)</u>
Other Financing Receipts (Disbursements):					
Transfers In			400,000		400,000
Transfers Out	(400,000)				(400,000)
Total Other Financing Receipts (Disbursements)	<u>(400,000)</u>		<u>400,000</u>		<u>0</u>
Special Item	415				415
Net Change in Fund Cash Balances	<u>(462,982)</u>		<u>400,000</u>		<u>(60,382)</u>
Fund Cash Balance, January 1	836,780	2,938	52,635	3,792	896,145
Fund Cash Balances, December 31					
Nonspendable		5,538			5,538
Restricted			452,635		452,635
Committed				3,792	3,792
Assigned	373,798				373,798
Fund Cash Balances, December 31	<u>\$373,798</u>	<u>\$5,538</u>	<u>\$452,635</u>	<u>\$3,792</u>	<u>\$835,763</u>

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

Library of East Cleveland, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 1 - Reporting Entity

The East Cleveland Library (the Library), Cuyahoga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Board appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Friends of East Cleveland Public Library is a not-for-profit organization with a self-appointing Board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only Special Revenue Fund is the Flewellen Fund which is used to account for the preservation and public display of the Icabod Flewellen collection.

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The only Capital Project Fund is the Building and Repair Fund which is used to account for the acquisition, construction and repair of capital facilities.

Permanent Funds

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The only Permanent Fund is the Putnam Fund which is used to account for monies that were donated to the Library and are to be used for hospitality supplies.

Library of East Cleveland, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

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.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. 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 2015 and 2014 budgetary activity appears in Note 3.

Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. STAR Ohio is recorded at share values the mutual fund reports.

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:

Nonspendable

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

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.

Committed

The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends 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.

Library of East Cleveland, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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 the Library Board or a Library official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2015 and December 31, 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,208,422	\$2,473,779	\$265,357
Special Revenue		9,223	9,223
Capital Projects		359	359
Total	\$2,208,422	\$2,483,361	\$274,939

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,547,809	\$2,365,388	\$182,421
Capital Projects	200,000	132,964	67,036
Total	\$2,547,809	\$2,365,388	\$182,421

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,222,929	\$2,404,338	\$181,409
Capital Projects	0	400,000	400,000
Total	\$2,222,929	\$2,804,338	\$581,409

Library of East Cleveland, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 3 - Budgetary Activity (continued)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,895,446	\$2,867,735	\$27,711

Note 4 – Deposits and Investments

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

	2015	2014
Demand deposits	\$41,603	\$78,496
STAR Ohio	779,027	757,267
Total deposits and investments	\$820,630	\$835,763

The 2014 financial statements do not include the \$55 petty cash fund.

Deposits are insured by the Federal Depository Insurance Corporation. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Grants in Aid and Taxes

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 2015. 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 2015 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 2015 distribution the “statutory allocation method” was implemented. The calendar year 2015 entitlements were used in the computation as the basis of each county’s allocation percentage. Those percentages were used through December 2015. In December 2015 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 2015, December 2014 and June 2015. 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.

Library of East Cleveland, Ohio
Cuyahoga County
Notes to the Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 5 – Grants in Aid and Taxes (continued)

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.

Note 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.

The Library also provides health insurance to full-time employees through a private carrier. The Library's liability is limited to the premiums it pays.

Note 7 - Defined Benefit Pension Plans

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. 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, 2015.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

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

East Cleveland Public Library
Cuyahoga County
14101 Euclid Avenue
East Cleveland, Ohio 44112

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 cash balances, receipts, and disbursements by fund type of East Cleveland Public Library, Cuyahoga County, Ohio, (the Library) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated February 24, 2017 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 opinions 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 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 2015-001 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*.

Entity'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.



Dave Yost
Auditor of State
Columbus, Ohio

February 24, 2017

**EAST CLEVELAND PUBLIC LIBRARY
CUYAHOGA COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2015-001
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Material Weakness – Book to Bank Reconciliations and Financial Reporting

Cash balances include cash in bank accounts and other imprest accounts such as payroll. Cash is an asset that is very susceptible to embezzlement and is considered a high risk asset because of its liquidity and its desirability. In order for the cash to be properly monitored and accounted for, most entities perform monthly bank reconciliations. This reconciliation verifies the cash balance per the general ledger agrees to the adjusted balance per the bank statement.

The Library uses the Auditor of State’s Uniform Accounting Network (UAN) to process its financial transactions. This system includes controls which require the bank and book balances reconcile in order to closeout each month’s financial activity. If the balances do not reconcile, the system does not allow the user to input the subsequent month’s financial activity. Included in the UAN reconciliation is a line for “Other Adjusting Factors”. This line is only to be used to post all adjustments other than outstanding checks and deposits-in-transit. Adjustments reported in this category are required to be properly supported.

The Library’s books were not reconciled to the bank and investment accounts for 2014. Also, on a monthly basis, unsupported adjustments were posted to UAN so the next month’s financial activity could be posted. In order to correct this situation, the Library hired an Independent Public Accountant (IPA) to reconstruct the cash activity for 2014. The results of the reconstruction for 2014 are as follows:

- The UAN system reported a year end cash fund balance of \$824,523 but the actual balance was \$835,818, a difference of \$11,295.
- There were 61 adjustments needed to correct transactions that were either not booked or booked for an incorrect amount.
- Property taxes were posted at net instead of gross.
- The significant adjustments were reversing a journal entry of \$165,211 that was a plug number used to reconcile the activity, a \$400,000 transfer in December from the General Fund to the Capital Projects Fund was booked as a fund balance adjustment, and expenditures for OPERS were overstated by \$77,337.

We also identified the following General Fund reclassifications to the reconciled activity.

For 2014:

- \$92,452 was reclassified from Public Library receipts to Intergovernmental receipts.
- \$92,357 was reclassified from Property and Other Local Taxes receipts to Intergovernmental receipts.
- \$7,955 was reclassified from Property and Other Local Taxes receipts to Miscellaneous receipts.
- \$33,744 was reclassified from Public Library receipts to Miscellaneous receipts.

For 2015, \$180,774 was reclassified from Property and Other Local Taxes receipts to Intergovernmental receipts.

The accompanying financial statements and accounting records reflect the correcting adjustments.

These weaknesses resulted in financial statements which did not report the actual cash fund balances and activity of the Library.

**EAST CLEVELAND PUBLIC LIBRARY
CUYAHOGA COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

Finding Number	2015-001
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(Continued)

We recommend the books be reconciled to the bank and investment accounts on a monthly basis and any adjustments should be documented and maintained. Either the Director or a Board member should review and initial/date the reconciliations to ensure they are being performed timely. We also recommend that property tax receipts be posed at the gross amount and the deductions should be posted to the applicable expenditure code.

Library's Response

The Library is making every effort to properly classify all receipts and expenditures. Reconciliations are being performed monthly and are being reviewed by the Chairman of the Finance Committee and Executive Director. Property tax receipts are being recorded at gross and the proper deductions are being recorded appropriately. All fund transfers are recorded as such and in the proper period.

**EAST CLEVELAND PUBLIC LIBRARY
 CUYAHOGA COUNTY
 SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2015 AND DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Numerous adjustments had to be made to the accounting records and financial statements from posting errors and others reconciling items that were not detected by the Library when performing the bank reconciliations.	No	Not Corrected, repeated as finding 2015-001.
2013-002	A finding for recovery for public money illegally expended was issued in the amount of \$1,127 and in favor of Library's General Fund for the overpayment of wages	Yes, finding repaid by bonding company.	
2013-003	A finding for recovery for public money illegally expended was issued in the amount of \$9,209 and in favor of Library's General Fund for the overpayment of sick leave and vacation time.	Yes, finding repaid by bonding company.	
2013-004	A finding for recovery for public money illegally expended was issued in the amount of \$981 and in favor of Library's General Fund since no support for an expenditure could be located and the endorser and endorsee on the check was the former Fiscal Officer.	Yes, finding repaid by bonding company.	
2013-005	Expenditures exceeded appropriations.	Yes	

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Dave Yost • Auditor of State

EAST CLEVELAND PUBLIC LIBRARY

CUYAHOGA 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
MARCH 14, 2017**