



Dave Yost • Auditor of State



HURON PUBLIC LIBRARY  
ERIE COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Huron Public Library  
Erie County  
333 Williams Street  
Huron, Ohio 44839-1650

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 Huron Public Library, Erie 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 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, 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 Huron Public Library, Erie 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 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 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 17, 2017

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$406,325			\$406,325
Public Library	326,432			326,432
Intergovernmental	60,255			60,255
Patron Fines and Fees	30,244			30,244
Contributions, Gifts and Donations	11,364			11,364
Earnings on Investments	669	\$3,107	\$115	3,891
Miscellaneous	8,998			8,998
<i>Total Cash Receipts</i>	<u>844,287</u>	<u>3,107</u>	<u>115</u>	<u>847,509</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	438,884	1,500		440,384
Collection Development and Processing	140,198	1,692		141,890
Support Services:				
Facilities Operation and Maintenance	84,034			84,034
Business Administration	13,051	1		13,052
Capital Outlay	10		3,750	3,760
<i>Total Cash Disbursements</i>	<u>676,177</u>	<u>3,193</u>	<u>3,750</u>	<u>683,120</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>168,110</u>	<u>(86)</u>	<u>(3,635)</u>	<u>164,389</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In			35,000	35,000
Transfers Out	(35,000)			(35,000)
Other Financing Uses	(1,028)			(1,028)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(36,028)</u>		<u>35,000</u>	<u>(1,028)</u>
<i>Net Change in Fund Cash Balances</i>	132,082	(86)	31,365	163,361
<i>Fund Cash Balances, January 1</i>	<u>484,925</u>	<u>3,193</u>	<u>249,705</u>	<u>737,823</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		3,107		3,107
Assigned	36,524		281,070	317,594
Unassigned	580,483			580,483
<i>Fund Cash Balances, December 31</i>	<u>\$617,007</u>	<u>\$3,107</u>	<u>\$281,070</u>	<u>\$901,184</u>

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

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$406,422			\$406,422
Public Library	296,503			296,503
Intergovernmental	63,363			63,363
Patron Fines and Fees	27,297			27,297
Contributions, Gifts and Donations	6,033	\$3,114		9,147
Earnings on Investments	482		\$1	483
Miscellaneous	7,144			7,144
<i>Total Cash Receipts</i>	<u>807,244</u>	<u>3,114</u>	<u>1</u>	<u>810,359</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	435,333	1,000		436,333
Collection Development and Processing	140,546	1,395		141,941
Support Services:				
Facilities Operation and Maintenance	85,506			85,506
Business Administration	16,855			16,855
Capital Outlay			6,953	6,953
<i>Total Cash Disbursements</i>	<u>678,240</u>	<u>2,395</u>	<u>6,953</u>	<u>687,588</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>129,004</u>	<u>719</u>	<u>(6,952)</u>	<u>122,771</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	4,158		35,000	39,158
Transfers Out	(35,000)	(4,158)		(39,158)
Other Financing Uses	(1,753)			(1,753)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(32,595)</u>	<u>(4,158)</u>	<u>35,000</u>	<u>(1,753)</u>
<i>Net Change in Fund Cash Balances</i>	96,409	(3,439)	28,048	121,018
<i>Fund Cash Balances, January 1</i>	<u>388,516</u>	<u>6,632</u>	<u>221,657</u>	<u>616,805</u>
<b>Fund Cash Balances, December 31</b>				
Restricted		3,193		3,193
Assigned	17,039		249,705	266,744
Unassigned	467,886			467,886
<i>Fund Cash Balances, December 31</i>	<u>\$484,925</u>	<u>\$3,193</u>	<u>\$249,705</u>	<u>\$737,823</u>

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



**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**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 Huron Public Library, Erie County, Ohio, (the Library) as a body corporate and politic. Huron City School District appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library participates in the Ohio Plan Risk Management, Inc. public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members

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

**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 Library 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. Fund Accounting**

The Library uses fund accounting to segregate cash that is 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.

**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 capital projects. The Library had the following significant Special Revenue Funds:

Chaney Fund – This fund receives contributions and donations which are to be used for large print books.

Mylander Fund – This fund receives contributions and donations which are to be used for the children's programs.

**3. Capital Project Funds**

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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:

Capital Projects Fund – This fund receives interest and General Fund transfers and is used to account all financial activity related to building repair or improvements.

**D. 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 2015 and 2014 budgetary activity appears in Note 3.

**E. 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.

**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**

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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.

**F. 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.

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

	2015	2014
Demand deposits	\$389,462	\$261,830
STAR Plus	410,112	374,636
Certificates of deposit	101,610	101,357
Total deposits	\$901,184	\$737,823

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 ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$825,356	\$844,287	\$18,931
Special Revenue	3,114	3,107	(7)
Capital Projects	35,000	35,115	115
Total	\$863,470	\$882,509	\$19,039

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$842,042	\$748,729	\$93,313
Special Revenue	3,193	3,193	
Capital Projects	70,000	22,500	47,500
Total	\$915,235	\$774,422	\$140,813

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$799,047	\$811,402	\$12,355
Special Revenue	2,535	3,114	579
Capital Projects		35,001	35,001
Total	\$801,582	\$849,517	\$47,935

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$812,634	\$732,032	\$80,602
Special Revenue	6,631	6,631	
Capital Projects	35,198	6,953	28,245
Total	\$854,463	\$745,616	\$108,847

**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 were computed in December 2014. The difference between the estimate and actual were 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

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

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 SYSTEM**

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 2015 and 2014, 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.

**6. RISK MANAGEMENT**

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014:

HURON PUBLIC LIBRARY  
ERIE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).



# 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

Huron Public Library  
Erie County  
333 Williams Street  
Huron, Ohio 44839-1650

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Huron Public Library, Erie 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 17, 2017 wherein we noted the Library followed reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Library' 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 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-002.

***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, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

February 17, 2017



**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
----------------------------------------------------------------------------------------------------------

**FINDING NUMBER 2015-001**

**Material Weakness – Financial Reporting**

We identified errors such as the following requiring adjustment to the financial statements for the year ended December 31, 2015:

Capital Projects Fund Type Committed fund balance in the amount of \$281,070 was reclassified to Assigned in accordance with GASB 54.

We identified errors such as the following requiring adjustment to the financial statements for the year ended December 31, 2014:

Capital Projects Fund Type Committed fund balance in the amount of \$249,705 was reclassified to Assigned in accordance with GASB 54.

We also noted a certain error in the amount of \$35,000 in authorized estimated receipts as reported in the notes to the financial statements for the year ended December 31, 2014.

These errors were not identified and corrected prior to the Library preparing its financial statements due to deficiencies in the Library's internal controls over financial statement monitoring. The accompanying financial statements and notes to the financial statements, and where applicable, the Library's accounting records have been adjusted to reflect these changes. Sound financial reporting is the responsibility of the Fiscal Officer and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements and accompanying notes is complete and accurate.

To help ensure the Library's financial statements are complete and accurate, the Library should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer, to identify and correct errors and omissions. The Fiscal Officer can refer to Auditor of State Bulletin 2011-004 at the following web site address for information on Governmental Accounting Standards Board Statement No. 54: <http://www.ohioauditor.gov/publications/bulletins/2011/2011-004.pdf>

**FINDING NUMBER 2015-002**

**Finding for Recovery Resolved Under Audit**

**Ohio Revised Code § 3375.40(G)** provides in part that the Board of Library Trustees may fix the compensation of all employees of the library under its jurisdiction. The Board of Library Trustees established 2014 compensation for Melissa Harrington, Full-Time Children's Librarian, during the meeting of February 12, 2014. A comparison of the authorized bi-weekly salary amount as documented in the minutes of the February 12, 2014 meeting to amounts entered to the accounting system and subsequently paid identified the following overpayment during 2014:

**FINDING NUMBER 2015-002  
 (Continued)**

<u>Employee</u>	<u>(A) Board Authoriz- ed Bi- Weekly Salary</u>	<u>(B) Number of Pay Periods</u>	<u>(A) x (B) 2014 Authorized Salary</u>
Melissa Harrington	\$1,000	21	\$21,000
	Less: 2014 Gross Wages Paid		(23,520)
	Total Overpayment of Wages		<u>(\$2,520)</u>

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Melissa Harrington, Full-Time Children's Librarian, in the amount of \$2,520, and in favor of the Huron Public Library General Fund.

On January 28, 2015, the Library established a repayment plan whereby the overpayment to Ms. Harrington will be recovered through bi-weekly payroll withholdings. As of February 17, 2017, Ms. Harrington had repaid \$1,720, with the final bi-weekly installment scheduled for December 29, 2017.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.

**HURON PUBLIC LIBRARY  
ERIE COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2015 AND 2014**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2013-001	Significant deficiency for the lack of an SOC 1 report for payroll processing and lack of monitoring of payroll disbursements.	Corrective action taken and finding is fully corrected.	N/A
2013-002	Material weakness for errors in financial reporting.	Partially corrected and reissued as Finding 2015-002 in this report.	The Library correctly classified intergovernmental revenues and properly entered budgeted expenditures to the accounting system and notes to the financial statements. Capital Projects fund type fund balance was still incorrectly classified due to an incorrect fund balance classification set up in the Uniform Accounting Network (UAN). Estimated receipts were not properly entered into the accounting system and notes to the financial statements due to an oversight by the Fiscal Officer by not requesting an amended certificate of estimated resources.

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# Dave Yost • Auditor of State

HURON PUBLIC LIBRARY

ERIE 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 7, 2017