

DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY, OHIO

Audited Financial Statements

For the Years ended December 31, 2015 and 2014



Dave Yost • Auditor of State

Board of Trustees
Dr. Earl Sloan Public Library
PO Box 116
Zanesfield, Ohio 43360

We have reviewed the *Independent Auditor's Report* of the Dr. Earl Sloan Public Library, Logan County, prepared by Van Krevel and Company, CPA's, for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Dr. Earl Sloan Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 26, 2016

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**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Dr. Earl Sloan Public Library
Logan County
P. O. Box 116
Zanesfield, OH 43360

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 Dr. Earl Sloan Public Library, Logan 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.

**Dr. Earl Sloan Public Library
Logan County
Independent Auditor's Report
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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 Dr. Earl Sloan Public Library, Logan 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 June 21, 2016, 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 Government's internal control over financial reporting and compliance.

Van Krevel + Company

**Van Krevel & Company
Dublin, Ohio**

June 21, 2016

**Dr. Earl Sloan Public Library
Logan County**

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

	General	Permanent	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$36,599		\$36,599
Public Library	53,692		53,692
Intergovernmental	77		77
Patron Fines and Fees	46		46
Contributions, Gifts and Donations	94		94
Earnings on Investments	81		81
Miscellaneous	951		951
<i>Total Cash Receipts</i>	<u>91,540</u>	<u>-</u>	<u>91,540</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	22,826		22,826
Collection Development and Processing	12,438		12,438
Support Services:			
Facilities Operation and Maintenance	11,570		11,570
Information Services	1,528		1,528
Business Administration	12,400		12,400
Capital Outlay	7,486		7,486
<i>Total Cash Disbursements</i>	<u>68,248</u>	<u>-</u>	<u>68,248</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,292</u>	<u>-</u>	<u>23,292</u>
<i>Fund Cash Balances, January 1</i>	<u>561,600</u>	<u>\$48,000</u>	<u>609,600</u>
Fund Cash Balances, December 31			
Nonspendable	-	48,000	48,000
Assigned	120,955		120,955
Unassigned	463,937	-	463,937
<i>Fund Cash Balances, December 31</i>	<u><u>\$584,892</u></u>	<u><u>\$48,000</u></u>	<u><u>\$632,892</u></u>

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

**Dr. Earl Sloan Public Library
Logan 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>General</u>	<u>Permanent</u>	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$42,335		\$42,335
Public Library	48,496		48,496
Intergovernmental	1,863		1,863
Patron Fines and Fees	76		76
Contributions, Gifts and Donations	10,065		10,065
Earnings on Investments	78		78
Miscellaneous	1,302		1,302
<i>Total Cash Receipts</i>	<u>104,215</u>	<u>-</u>	<u>104,215</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	20,780		20,780
Collection Development and Processing	14,017		14,017
Support Services:			
Facilities Operation and Maintenance	14,008		14,008
Information Services	1,142		1,142
Business Administration	17,522		17,522
Capital Outlay	1,241		1,241
<i>Total Cash Disbursements</i>	<u>68,710</u>	<u>-</u>	<u>68,710</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>35,505</u>	<u>-</u>	<u>35,505</u>
<i>Fund Cash Balances, January 1</i>	<u>526,095</u>	<u>\$48,000</u>	<u>574,095</u>
Fund Cash Balances, December 31			
Nonspendable	-	48,000	48,000
Assigned	107,300		107,300
Unassigned	454,300	-	454,300
<i>Fund Cash Balances, December 31</i>	<u>\$561,600</u>	<u>\$48,000</u>	<u>\$609,600</u>

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

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN 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 Dr. Earl Sloan Public Library, Logan County, (the Library) as a body corporate and politic. The Library is directed by a six-member Board of Trustees that is self-appointed to govern the Library. The Library provides the community with various educational and literary resources.

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. Deposits

All available funds of the Library are in an interest bearing checking and money market savings accounts.

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.

2. Permanent Fund

These funds account for and report resources that are legally 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 Library had the following significant permanent fund:

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

SLOAN FUND – This fund is restricted as to principal. The earnings are used to purchase library materials. Investment Income is reported in the General Fund since it is available to fund all Library operations.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures 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.

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.

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.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

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 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:

	<u>2015</u>	<u>2014</u>
Demand deposits	<u>\$632,892</u>	<u>\$609,600</u>
Total deposits	<u><u>\$632,892</u></u>	<u><u>\$609,600</u></u>

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

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

3. Budgetary Activity

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$93,625	\$91,540	\$2,085
Permanent			0
Total	\$93,625	\$91,540	\$2,085

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$200,925	\$68,248	\$132,677
Permanent			0
Total	\$200,925	\$68,248	\$132,677

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,035	\$104,215	\$19,180
Permanent			0
Total	\$85,035	\$104,215	\$19,180

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$179,495	\$68,710	\$110,785
Permanent			0
Total	\$179,495	\$68,710	\$110,785

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

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

Jefferson Township, Logan County (the Township) is the taxing authority for the Library. Logan County distributes the tax revenue, and the State of Ohio distributes related tax revenue receipts to the Township. The Township then distributes these receipts to the Library which are then reported as property taxes and intergovernmental receipts on the Library's financial statements.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

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 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

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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



CERTIFIED PUBLIC ACCOUNTANTS

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

Dr. Earl Sloan Public Library
Logan County
P O Box 116
Zanesfield, OH 43360

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 the Dr. Earl Sloan Public Library, Logan 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 June 21, 2016 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider a material weakness and significant deficiencies.

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. We consider finding 2015-001 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2015-002 through 2015-003 described in the accompanying schedule of findings to be significant deficiencies.

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 responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's responses and, accordingly, we express no opinion on them.

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.

Van Krevel + Company

VAN KREVEL & COMPANY
Dublin, Ohio

June 21, 2016

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

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

FINDING NUMBER 2015-001

Material Weakness – Financial Reporting

Several errors were noted which required adjustments to the financial statements.

To assist in the effective management and reporting of financial resources, an entity should have procedures in place to provide the proper recording of financial activity in the accounting records and financial statements.

The financial statements did not accurately reflect the balances recorded in the Library's general ledgers for 2015 and 2014.

The December 31, 2015 Permanent Fund Cash Balance totaling \$48,000 was not included in the annual financial statements.

The Fund Cash Balances at January 1, 2015 did not agree with the Fund Cash Balances at December 31, 2014. The January 1, 2015 Fund Cash Balances were understated by \$49,475. The General Fund was understated by \$1,475 and the Permanent Fund was understated by \$48,000. The Fund Cash Balances at December 31, 2015 were understated by \$49,236. The General Fund was understated by \$1,236 and the Permanent Fund was understated by \$48,000.

The Fund Cash Balances at January 1, 2014 did not agree with the Fund Cash Balances at December 31, 2013. The January 1, 2014 Fund Cash Balances were understated by \$48,631. The General Fund was understated by \$631 and the Permanent Fund was understated by \$48,000. The Fund Cash Balances at December 31, 2014 were understated by \$3,823. The General Fund was understated by \$3,823.

In 2015, Cash Receipts were overstated by a total of \$1,028. Property and Other Local Taxes were overstated by \$1,028.

In 2014, Cash Receipts were overstated by a total of \$3,428. Property and Other Local Taxes, Intergovernmental receipts and Miscellaneous receipts were overstated by \$2,617, \$46,733 and \$2,574, respectively; Public Library receipts were understated by \$48,496.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)
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Finding Number 2015-001 (cont)

In 2015, Cash Disbursements were overstated by \$789. See the Schedule below.

In 2014, Cash Disbursements were overstated by \$6,620. See the Schedule below.

The following cash disbursements were reclassified in order for the financial statements to be prepared consistent with the library classifications as recommended by the Ohio Library Council Library Accounting Division:

For the year ended December 31, 2015:

Account Description	Increase	Decrease
Public Services & Programs	\$ 16,524	
Collection Development & Processing	7,522	
Facilities Operations & Maintenance	5,367	
Information Services		\$ 10,283
Business Administration		20,621
Capital Outlay	702	
Increase in Fund Cash Balance	789	
Totals	\$ 30,904	\$ 30,904

For the year ended December 31, 2014:

Account Description	Increase	Decrease
Public Services & Programs	\$ 6,679	
Collection Development & Processing	10,094	
Facilities Operations & Maintenance	6,811	
Information Services		\$ 7,115
Business Administration		23,089
Increase in Fund Cash Balance	6,620	
Totals	\$ 30,204	\$ 30,204

DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)

Finding Number 2015-001 (continued)

Government Accounting Standards Board (GASB) Statement No. 54 for Fund Balance Reporting (as discussed in AOS Bulletin 2011-004) defines the fund balance classifications related to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned, and unassigned. This Statement requires that when the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. Stated differently, if appropriations (temporary or annual) exceed estimated receipts (not resources), the excess is to be assigned as if uses existing fund balance at year-end. This would be applicable to the General Fund as it is the only fund with a positive unassigned fund balance.

The Library did not include the excess of appropriations to estimated receipts as an assigned fund balance in the General Fund at December 31, 2014. This resulted in an adjustment of \$107,300 for 2014 from unassigned to assigned fund balance.

The Library's financial records and the accompanying financial statements have been adjusted to properly reflect the balances and financial activity of the Library.

The failure to accurately report financial activity and balances not only inhibits the user's ability to fully understand the results of operations but may also result in material financial statement reporting errors.

Financial statements should accurately reflect the final general ledger. The reclassifications and adjustments identified during the audit should be reviewed by the Fiscal Officer to provide that similar errors are not reported on the financial statements in subsequent years. In addition, to improve financial reporting and accountability, the Library Board of Trustees should review the financial statements to identify and correct errors and omissions

Official's Response: The Fiscal Officer will be vigilant in formulation of spreadsheets used in preparing the financial statements and has already implemented classifications for FYE 2016. The Library's Board of Trustees will peruse the financial statements and will discuss questions or concerns with the Fiscal Officer.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</p>

FINDING NUMBER 2015-002

Significant Deficiency – Control Deficiency

Expenditures incurred by a governmental entity should service a public purpose. The decision of what constitutes a public purpose generally is determined of the Board of Trustees.

In July of 2014, the Library's fiscal officer erroneously remitted payroll taxes out of the General Fund in the amount of \$3,057.96 to the Internal Revenue Service, on behalf of the Habitat of Humanity.

The July 2014 bank reconciliation was performed in August, 2014. The mistake was discovered but the funds were not repaid until September, 2014.

We recommend that the fiscal officer exercise due diligence in the issuance of checks to avoid paying invoices that are not related to the Library.

Official's Response: When the mistake was discovered, it was corrected by the Fiscal Officer. The Fiscal Officer will take greater care in accurately entering Federal ID numbers when paying payroll taxes through EFPTS.

FINDING NUMBER 2015-003

Significant Deficiency – Control Monitoring

Because the Library is not a body politic, funds due to the Library from collection of the tax levied are remitted by Logan County to Jefferson Township, which in turn remits the funds to the Library. During 2015 and 2014, no reconciliation was done of the funds remitted by the County and monies received by the Library from Jefferson Township. This resulted in a balance due to the Library in the amount of \$3,785.82 at December 31, 2015.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

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

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)**

FINDING NUMBER 2015-003 (continued)

In May 2016, the Library received \$3,148.53 from Jefferson Township in payment of taxes collected prior to December 31, 2015, and not previously remitted to the Library. At June 21, 2016, the Library and Jefferson Township are in the process of settling the remaining amount due of \$637.29.

We recommend that the fiscal officer routinely obtain copies of the remittance advices relating to taxes collected by Jefferson Township on behalf of the Library from Jefferson Township in order to ensure that all funds due to the Library are timely received.

Official's Response: The Fiscal Officer has contacted the Logan County Auditor and is receiving the Apportionment of Tax sheets to ensure accurate reconciliation of funds due the Library from Jefferson Township.

**DR. EARL SLOAN PUBLIC LIBRARY
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2015 AND 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	Financial Reporting	No	Partially Corrected. Repeated as Finding 2015-001

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Dave Yost • Auditor of State

DR. EARL SLOAN PUBLIC LIBRARY

LOGAN 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
AUGUST 9, 2016