



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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UPPER ARLINGTON PUBLIC LIBRARY  
FANKLIN COUNTY

REGULAR AUDIT

For the Years Ended December 31, 2016 and 2015  
Fiscal Years Audited Under GAGAS: 2016 and 2015





# Dave Yost • Auditor of State

Members of the Board  
Upper Arlington Public Library  
2800 Tremont Ave  
Upper Arlington, OH 43221

We have reviewed the *Independent Auditor's Report* of the Upper Arlington Public Library, Franklin County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2015 through December 31, 2016. 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 Upper Arlington 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

June 30, 2017

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**Upper Arlington Public Library**  
**Franklin County, Ohio**  
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*For the Fiscal Years Ended 2016 and 2015*

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## **Independent Auditor's Report**

Upper Arlington Public Library  
Franklin County  
2800 Tremont Road  
Upper Arlington, Ohio 43221

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balance, receipts, and disbursements by fund type and related notes of the Upper Arlington Public Library, Franklin County, (the Library), as of and for the years ended December 31, 2016 and 2015.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

As described in Note 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, to satisfy 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, 2016 and 2015, 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 the Upper Arlington Public Library, Franklin County, as of December 31, 2016 and 2015, 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 May 17, 2017, on our consideration of the Library's internal control over financial reporting and on 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 Standard* in considering the Library's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Columbus, Ohio  
May 17, 2017



UPPER ARLINGTON PUBLIC LIBRARY  
FRANKLIN COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 2,741,727	\$ -	\$ -	\$ 2,741,727
Public Library	2,557,313	-	-	2,557,313
Intergovernmental	391,226	-	-	391,226
Patron Fines and Fees	86,422	-	-	86,422
Contributions, Gifts and Donations	38,386	-	-	38,386
Services Provided to Other Entities	35,644	52,305	-	87,949
Earnings on Investments	7,346	1,731	-	9,077
Miscellaneous	14,298	-	-	14,298
<b>Total Cash Receipts</b>	<u>5,872,362</u>	<u>54,036</u>	<u>-</u>	<u>5,926,398</u>
<b>Cash Disbursements:</b>				
Current:				
Library Services				
Public Services and Programs	1,307,979	4,677	-	1,312,656
Collection Development and Processing	2,391,254	40,417	-	2,431,671
Support Services				
Facilities Operation and Maintenance	471,901	-	-	471,901
Information Services	387,537	-	-	387,537
Business Administration	892,750	5,268	-	898,018
Capital Outlay	90,631	4,234	165,063	259,928
<b>Total Cash Disbursements</b>	<u>5,542,052</u>	<u>54,596</u>	<u>165,063</u>	<u>5,761,711</u>
Excess of Receipts Over/ (Under) Disbursements	330,310	(560)	(165,063)	164,687
<b>Other Financing Receipts/ (Disbursements):</b>				
Transfers In	-	5,000	263,221	268,221
Transfers Out	(268,221)	-	-	(268,221)
<b>Total Other Financing Receipts/ (Disbursements)</b>	<u>(268,221)</u>	<u>5,000</u>	<u>263,221</u>	<u>-</u>
Net Change in Fund Cash Balances	62,089	4,440	98,158	160,247
Fund Cash Balances, January 1	2,571,824	287,039	355,313	3,214,176
<b>Fund Cash Balances, December 31</b>				
Restricted	-	291,479	-	291,479
Assigned	-	-	453,471	453,471
Unassigned	2,633,913	-	-	2,633,913
<b>Fund Cash Balances, December 31</b>	<u>\$ 2,633,913</u>	<u>\$ 291,479</u>	<u>\$ 453,471</u>	<u>\$ 3,378,863</u>

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

UPPER ARLINGTON PUBLIC LIBRARY  
FRANKLIN COUNTY

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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 2,722,670	\$ -	\$ -	\$ 2,722,670
Public Library	2,571,404	-	-	2,571,404
Intergovernmental	391,814	-	-	391,814
Patron Fines and Fees	93,448	-	-	93,448
Contributions, Gifts and Donations	7,140	31,908	-	39,048
Services Provided to Other Entities	26,197	158	-	26,355
Earnings on Investments	2,248	-	-	2,248
Miscellaneous	27,735	-	-	27,735
	<u>5,842,656</u>	<u>32,066</u>	<u>-</u>	<u>5,874,722</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Library Services				
Public Services and Programs	2,135,469	30,156	-	2,165,625
Collection Development and Processing	1,290,454	3,218	-	1,293,672
Support Services				
Facilities Operation and Maintenance	492,675	-	-	492,675
Information Services	398,286	-	-	398,286
Business Administration	970,770	3,301	-	974,071
Capital Outlay	113,256	-	175,842	289,098
	<u>5,400,910</u>	<u>36,675</u>	<u>175,842</u>	<u>5,613,427</u>
<b>Total Cash Disbursements</b>				
Excess of Receipts Over/ (Under) Disbursements	441,746	(4,609)	(175,842)	261,295
<b>Other Financing Receipts/ (Disbursements):</b>				
Transfers In	-	-	202,434	202,434
Transfers Out	(202,434)	-	-	(202,434)
	<u>(202,434)</u>	<u>-</u>	<u>202,434</u>	<u>-</u>
<b>Total Other Financing Receipts/ (Disbursements)</b>				
Net Change in Fund Cash Balances	239,312	(4,609)	26,592	265,904
Fund Cash Balances, January 1	2,332,512	291,648	328,721	2,952,881
	<u>2,332,512</u>	<u>291,648</u>	<u>328,721</u>	<u>2,952,881</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	287,039	-	287,039
Assigned	218,463	-	355,313	573,776
Unassigned	2,353,361	-	-	2,353,361
	<u>2,353,361</u>	<u>-</u>	<u>-</u>	<u>2,353,361</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 2,571,824</u>	<u>\$ 287,039</u>	<u>\$ 355,313</u>	<u>\$ 3,214,176</u>

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

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**Note 1 - Reporting Entity**

The Upper Arlington Public Library (the Library), Franklin 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. The Upper Arlington City Council appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

The Library's management believes these financial statements present all activities for which the Library is financially accountable. Note 2 to the financial statement describes these assets.

**Note 2 - Summary of Significant Accounting Policies**

**A. 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**B. 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:

1. **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.
2. **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 Library had the following significant Special Revenue Funds:

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

Restricted Donations – This fund receives contributions made by other donors for a specific purpose or use and accounts for the related expenditures pursuant to the donor's instructions.

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**Note 2 - Summary of Significant Accounting Policies – (CONTINUED)**

- 3. 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 Library had the following significant capital project funds:

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

**C. 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.

**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 2016 and 2015 budgetary activity appears in Note 3.

**E. 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.

Money market mutual funds (including STAR Ohio) are recorded as share values the mutual funds report.

**F. Capital Assets**

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

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**Note 2 - Summary of Significant Accounting Policies – (CONTINUED)**

**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.

**H. 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**

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.

**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 the Library Board 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.

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

**Note 2 - Summary of Significant Accounting Policies – (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.

**Note 3 - Budgetary Activity**

Budgetary activity for the years ending 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,933,330	\$5,872,362	(\$60,968)
Special Revenue	76,500	59,036	(17,464)
Capital Projects	0	263,221	263,221
Total	\$6,009,830	\$6,194,619	\$184,789

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,965,604	\$5,810,273	\$155,331
Special Revenue	101,000	54,596	46,404
Capital Projects	272,515	165,063	107,452
Total	\$6,339,119	\$6,029,932	\$309,187

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,809,390	\$5,842,656	\$33,266
Special Revenue	110,000	32,066	(77,934)
Capital Projects	202,434	202,434	-
Total	\$6,121,824	\$6,077,156	(\$44,668)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,066,450	\$5,603,344	\$463,106
Special Revenue	129,511	36,675	92,836
Capital Projects	238,072	175,842	62,230
Total	\$6,434,033	\$5,815,861	\$618,172

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**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:

	2016	2015
Demand deposits	\$591,336	\$3,039,176
Total deposits	591,336	3,039,176
STAR Ohio	2,605,948	-
Flexible Spending Account	5,000	-
Certificates of Deposit	176,579	175,000
Total investments	2,787,527	175,000
Total deposits and investments	\$3,378,863	\$3,214,176

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Library; or collateralized by the financial institution’s public entity deposit pool.

**Note 5 – Grants in Aid and Taxes**

**Grants in Aid**

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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

**Property Taxes**

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

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

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

**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**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.

**Note 7 - Defined Benefit Pension Plans**

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012 - 2016</i>	<i>10%</i>	<i>14%</i>

***Ohio Public Employees 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. 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, 2016 and 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.

**Note 9 – Contingent Liabilities**

The Library is not currently a defendant in any legal case.



**Upper Arlington Public Library**  
*Franklin County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016 and 2015*

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**Note 10 – Joint Venture**

The Library is a member of the Central Library Consortium (CLC). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and cooperative resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced in 1988, has fourteen members consisting of the Alexandria Public Library, the Bexley Public Library, the Columbus Metropolitan Library, the Fairfield County District Library, the Grandview Heights Public Library, the London Public Library, the Marysville Public Library, the Pickaway County District Library, the Pickerington Public Library, the Plain City Public Library, Southwest Public Libraries, the Upper Arlington Public Library, the Wagnalls Memorial Library and the Worthington Libraries.

The Upper Arlington Public Library became a member of the CLC during January 2014. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Upper Arlington Public Library paid \$142,687 and \$130,409 to the CLC in 2016 and 2015, respectively.

The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1st Ave., Columbus, Ohio 43212.



**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Required by *Government Auditing Standards***

Upper Arlington Public Library  
Franklin County  
2800 Tremont Road  
Upper Arlington, Ohio 43221

To the Library Council:

We have audited, in accordance with the 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 the Upper Arlington Public Library, Franklin County, (the Library) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements, and have issued our report thereon dated May 17, 2017, wherein we noted the Library followed financial reporting provisions that Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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*.

***Purpose of this Report***

This report only describes the scope of our internal control testing 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 "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Columbus, Ohio  
May 17, 2017

**Upper Arlington Public Library  
Franklin County  
Schedule of Prior Audit Findings  
December 31, 2016 and 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2014-001	Material Weakness – Financial Reporting	Yes	Fully Corrected



# Dave Yost • Auditor of State

UPPER ARLINGTON PUBLIC LIBRARY

FRANKLIN COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 13, 2017