



Dave Yost • Auditor of State

ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report.....	1
Statement of Net Position – Cash Basis December 31, 2015	3
Statement of Activities – Cash Basis For the Year Ended December 31, 2015	4
Statement of Assets and Fund Balances – Cash Basis Governmental Funds December 31, 2015	5
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2015	6
Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2015	7
Statement of Net Position – Cash Basis December 31, 2014	8
Statement of Activities – Cash Basis For the Year Ended December 31, 2014	9
Statement of Assets and Fund Balances – Cash Basis Governmental Funds December 31, 2014	10
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2014	11
Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2014	12
Notes to the Basic Financial Statements.....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29

This Page Intentionally Left Blank



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities and each major fund of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and each major fund of the Ella M. Everhard Public Library, Medina County, Ohio, as of December 31, 2015 and 2014, and the respective changes in cash financial position and the budgetary comparisons for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 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 Library's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 13, 2016

Ella M. Everhard Public Library
Statement of Net Position - Cash Basis
December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$2,826,793</u></u>
Net Position	
Unrestricted	<u><u>\$2,826,793</u></u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$770,003	\$55,107	\$7,100	(\$707,796)
Collection Development and Processing	633,136		320	(632,816)
Support Services:				
Facilities Operation and Maintenance	225,387			(225,387)
Information Services	188,707			(188,707)
Business Administration	566,624			(566,624)
Capital Outlay	135,978			(135,978)
Total Governmental Activities	\$2,519,835	\$55,107	\$7,420	(2,457,308)
General Receipts:				
Property Taxes Levied for General Purposes				1,431,834
Other Local Taxes (Public Library Fund)				881,774
Unrestricted Gifts and Contributions				442
Grants/Entitlements not Restricted to Specific Programs				207,656
Earnings on Investments				6,648
Miscellaneous				1,989
		<i>Total General Receipts</i>		2,530,343
		Change in Net Position		73,035
		<i>Net Position Beginning of Year</i>		2,753,758
		<i>Net Position End of Year</i>		\$2,826,793

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2015

	General	Capital Projects Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,921,655	\$905,138	\$2,826,793
Fund Balances			
Assigned	40,568	905,138	945,706
Unassigned	1,881,087		1,881,087
<i>Total Fund Balances</i>	\$1,921,655	\$905,138	\$2,826,793

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2015

	General	Capital Projects Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$1,431,834		\$1,431,834
Public Library	881,774		881,774
Intergovernmental	207,656		207,656
Patron Fines and Fees	55,107		55,107
Contributions, Gifts and Donations	7,862		7,862
Earnings on Investments	6,648		6,648
Miscellaneous	1,989		1,989
<i>Total Receipts</i>	<u>2,592,870</u>		<u>2,592,870</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	770,003		770,003
Collection Development and Processing	633,136		633,136
Support Services:			
Facilities Operation and Maintenance	225,387		225,387
Information Services	188,707		188,707
Business Administration	566,624		566,624
Capital Outlay	31,879	\$104,099	135,978
<i>Total Disbursements</i>	<u>2,415,736</u>	<u>104,099</u>	<u>2,519,835</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>177,134</u>	<u>(104,099)</u>	<u>73,035</u>
<i>Fund Balances Beginning of Year</i>	<u>1,744,521</u>	<u>1,009,237</u>	<u>2,753,758</u>
<i>Fund Balances End of Year</i>	<u>\$1,921,655</u>	<u>\$905,138</u>	<u>\$2,826,793</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$1,571,753	\$1,460,953	\$1,431,834	(\$29,119)
Public Library	831,277	831,367	881,774	50,407
Intergovernmental	196,250	205,000	207,656	2,656
Patron Fines and Fees	52,700	52,700	55,107	2,407
Contributions, Gifts and Donations	9,500	9,500	7,862	(1,638)
Earnings on Investments	6,500	6,500	6,648	148
Miscellaneous	1,300	1,300	1,989	689
<i>Total Receipts</i>	<u>2,669,280</u>	<u>2,567,320</u>	<u>2,592,870</u>	<u>25,550</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	849,434	846,768	770,027	76,741
Collection Development and Processing	737,800	737,280	659,750	77,530
Support Services:				
Facilities Operation and Maintenance	249,567	257,569	228,349	29,220
Information Services	249,194	219,791	197,003	22,788
Business Administration	689,191	683,778	569,296	114,482
Capital Outlay	54,000	54,000	31,879	22,121
<i>Total Disbursements</i>	<u>2,829,186</u>	<u>2,799,186</u>	<u>2,456,304</u>	<u>342,882</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(159,906)</u>	<u>(231,866)</u>	<u>136,566</u>	<u>368,432</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	1,689,805	1,689,805	1,689,805	
Prior Year Encumbrances Appropriated	54,716	54,716	54,716	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$1,584,615</u>	<u>\$1,512,655</u>	<u>\$1,881,087</u>	<u>\$368,432</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Net Position - Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,753,758</u>
Net Position	
Unrestricted	<u>\$2,753,758</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$685,480	\$56,158	\$6,000	(\$623,322)
Collection Development and Processin	597,439		1,550	(595,889)
Support Services:				
Facilities Operation and Maintenance	230,133			(230,133)
Information Services	219,125			(219,125)
Business Administration	521,651			(521,651)
Capital Outlay	58,939			(58,939)
<i>Total Governmental Activities</i>	<u>\$2,312,767</u>	<u>\$56,158</u>	<u>\$7,550</u>	<u>(2,249,059)</u>
General Receipts:				
Property Taxes Levied for General Purposes				1,454,781
Other Local Taxes (Public Library Fund)				801,175
Unrestricted Gifts and Contributions				234
Grants/Entitlements not Restricted to Specific Programs				242,119
Earnings on Investments				5,930
Miscellaneous				1,949
<i>Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers and Advances</i>				<u>2,506,188</u>
Change in Net Position				257,129
<i>Net Position Beginning of Year</i>				<u>2,496,629</u>
<i>Net Position End of Year</i>				<u>\$2,753,758</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2014

	General	Capital Projects Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,744,521	\$1,009,237	\$2,753,758
Fund Balances			
Assigned	54,716	1,009,237	1,063,953
Unassigned	1,689,805		1,689,805
<i>Total Fund Balances</i>	\$1,744,521	\$1,009,237	\$2,753,758

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2014

	General	Capital Projects Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$1,454,781		\$1,454,781
Public Library	801,175		801,175
Intergovernmental	242,119		242,119
Patron Fines and Fees	56,158		56,158
Contributions, Gifts and Donations	7,784		7,784
Earnings on Investments	5,930		5,930
Miscellaneous	1,949		1,949
<i>Total Receipts</i>	<u>2,569,896</u>		<u>2,569,896</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	685,480		685,480
Collection Development and Processing	597,439		597,439
Support Services:			
Facilities Operation and Maintenance	230,133		230,133
Information Services	219,125		219,125
Business Administration	521,651		521,651
Capital Outlay	39,388	\$19,551	58,939
<i>Total Disbursements</i>	<u>2,293,216</u>	<u>19,551</u>	<u>2,312,767</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>276,680</u>	<u>(19,551)</u>	<u>257,129</u>
<i>Fund Balances Beginning of Year</i>	<u>1,467,841</u>	<u>1,028,788</u>	<u>2,496,629</u>
<i>Fund Balances End of Year</i>	<u>\$1,744,521</u>	<u>\$1,009,237</u>	<u>\$2,753,758</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,570,053	\$1,570,053	\$1,454,781	(\$115,272)
Public Library	792,065	792,065	801,175	9,110
Intergovernmental	196,250	196,250	242,119	45,869
Patron Fines and Fees	52,700	52,700	56,158	3,458
Contributions, Gifts and Donations	9,500	9,500	7,784	(1,716)
Earnings on Investments	6,500	6,500	5,930	(570)
Miscellaneous	1,300	1,300	1,949	649
<i>Total Receipts</i>	<u>2,628,368</u>	<u>2,628,368</u>	<u>2,569,896</u>	<u>(58,472)</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	764,584	762,009	688,485	73,524
Collection Development and Processing	507,357	714,643	641,646	72,997
Support Services:				
Facilities Operation and Maintenance	239,753	255,554	235,710	19,844
Information Services	202,534	241,816	219,191	22,625
Business Administration	629,700	615,756	523,512	92,244
Capital Outlay	63,953	69,953	39,388	30,565
<i>Total Disbursements</i>	<u>2,407,881</u>	<u>2,659,731</u>	<u>2,347,932</u>	<u>311,799</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>220,487</u>	<u>(31,363)</u>	<u>221,964</u>	<u>253,327</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	1,414,060	1,414,060	1,414,060	
Prior Year Encumbrances Appropriated	53,781	53,781	53,781	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$1,688,328</u>	<u>\$1,436,478</u>	<u>\$1,689,805</u>	<u>\$253,327</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014

Note 1 – Description of the Library and Reporting Entity

The Ella M. Everhard Public Library (the Library) was organized as a school district public library in 1925 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Wadsworth City School District Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Business Manager & Fiscal Officer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Ohio School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board; and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library does not have any component units.

The Wadsworth Public Library Foundation is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budgets or the issuance of debt of the organization. According to GASB Statement No. 39 criteria, the economic resources received by the Foundation are mostly for the direct benefit of the Library. However, the Library is not entitled to and does not have the ability to access the economic resources. Additionally, the economic resources are not significant to the Library. Therefore, the Foundation has been excluded from the reporting entity of the Library.

A separately-audited statement for the Wadsworth Public Library Foundation is available from Mike Wagar, Treasurer, 1339 Harmony Drive, Wadsworth, OH 44281.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Library does not report assets for equity interests in joint ventures.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 1 – Description of the Library and Reporting Entity (Continued)

The Library participates in one jointly governed organization. Note 11 to the financial statements provides additional information for this entity. The organization is: The Wadsworth Community Center.

The Friends of the Wadsworth Public Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. According to GASB Statement No. 39 criteria, the economic resources received or held by the organization are not significant to the Library. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, the financial statements of the Ella M. Everhard Public Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are described below.

Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-wide Financial Statement: The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the cash and investment balances of the governmental activities of the Library at year end. The Statement of Activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

Fund Financial Statements During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

Governmental Funds Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

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.

Capital Projects Fund - The Capital Projects Fund accounts for and reports resources assigned by the Board of Library Trustees specifically for major capital and technology purchases and improvements.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, (except agency funds), are legally required to be appropriated. The Appropriations Resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Business Manager/Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

The Appropriations Resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

Cash and Cash Equivalents

Library records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2015 and 2014, investments were limited to money market funds, STAR Ohio, STAR Plus and nonnegotiable certificates of deposit. Except for the money market funds, STAR Ohio and STAR Plus, these investments are recorded at cost.

The Library's checking accounts, money market funds, and savings accounts are recorded at amounts reported by FirstMerit Bank, The Huntington National Bank and PNC Bank, on December 31, 2015 and December 31, 2014.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015 and December 31, 2014 respectively.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipt credited to the General Fund during 2015 and 2014 amounted to \$6,648 and \$5,930 respectively, which includes \$2,710 and \$2,587 assigned from other Library funds respectively.

Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

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

Non-spendable -- The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

Interfund Receivables/Payables

The Library reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Library did not have any restricted net position for 2015 or 2014.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at year end 2015 and 2014 (budgetary basis) amounted to \$40,568 and \$54,716 respectively for the General Fund. There were no outstanding advances at year end.

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 4 – Deposits and Investments (Continued)

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the business manager/fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end 2015 and 2014, the Library had \$400 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2015, \$1,027,836 of the Library's bank balance of \$2,682,847, which includes \$1,400,000 of non-negotiable certificates of deposit were exposed to custodial credit risk as those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name. At December 31, 2014, these amounts were \$830,861, \$2,744,076 and \$1,550,000 respectively.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 4 – Deposits and Investments (Continued)

Deposits (Continued)

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2015, the Library had the following investments:

	Fair Value	Maturity
STAR Ohio	\$143,546	Daily

As of December 31, 2014, the Library had the following investments:

	Fair Value	Maturity
STAR Ohio	\$9,282	Daily

Interest Rate Risk - Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring the Library’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk - The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 5 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2015 and 2014 for real and public utility property taxes represents collections of 2014 and 2013 taxes respectively.

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. 2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016. 2014 real property taxes are collected in and intended to finance 2015.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 and 2014 public utility property taxes which became a lien December 31, 2014 and December 31, 2013 respectively, are levied after October 1, 2015 and October 1, 2014 respectively, and are collected in 2016 and 2015 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2015 and December 31, 2014, was \$2.75 per \$1,000 of assessed value.

The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$471,518,920
Commercial/Industrial/Mineral	116,131,330
Public Utility Property	\$26,330
Public Utility Personal Property	24,422,860
Total	\$612,099,440

The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

Real Property	
Residential/Agricultural	\$468,503,200
Commercial/Industrial/Mineral	112,636,100
Public Utility Property	\$26,260
Public Utility Personal Property	17,355,240
Total	\$598,520,800

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 6 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015 and 2014, the Library contracted with two companies for various types of insurance coverage as follows:

Company	Type of Coverage	2015 Coverage	2014 Coverage
Westfield Insurance Company	Commercial Property	\$8,259,839	\$8,259,746
	Business Income	60,000	60,000
	General Liability	1,000,000	1,000,000
	Employer Liability	1,000,000	1,000,000
	Business Auto	1,000,000	1,000,000
	Commercial Inland Marine	7,057,156	6,962,888
	Commercial Crime	62,000	62,000
	Commercial Umbrella	1,000,000	1,000,000
	Public Official Bonds	50,000	50,000
	Employee Benefits Liability	1,000,000	1,000,000
C N A	Directors & Officers Liability & Entity Liability	3,000,000	3,000,000
	Employment Practices Liability	3,000,000	3,000,000

Settled claims have not exceeded this coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Note 7 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Library employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 7 - Defined Benefit Pension Plans (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 7 - Defined Benefit Pension Plans (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$141,584 and \$126,448 for year 2015 and 2014 respectively.

Note 8 - Postemployment Benefits

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 8 - Postemployment Benefits (Continued)

Funding Policy –The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015 and 2014, state and local employers contributed at a rate of 14 percent of covered. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. Effective January 1, 2014, the portion of employer contribution is allocated to health care was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number covered dependents and the coverage selected.

The Library's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014 and 2013 were \$23,596, \$21,073, and \$21,384 respectively; 100 percent has been contributed for 2015, 2014 and 2013.

OPERS Board of Trustees Adopt Changes to the Health Care Plan – Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Note 9 – Construction and Improvement of Facilities

In 2000, the Board of Library Trustees of Ella M. Everhard Public Library submitted to the Wadsworth City School District a bond issue to be used for improvements to the Library. The Wadsworth City School District serves as the taxing authority and issues tax related debt on behalf of the Library, although their role is limited to a ministerial function. The determination to request approval of a tax levy, the rate, and the purpose are discretionary decisions made solely by the Library Board of Trustees.

With approval of the bond issue in 2000, the School District issued bond anticipation notes in the amount of \$5,600,000 in 2000. During 2001, the notes were rolled into bonds. Because the bonds are general obligation of the Wadsworth City School District, the long-term obligation is excluded from the general long-term obligations of the Library. The receipt and expenditure of the proceeds from the property tax levy for the retirement of the debt is reflected in the School District's bond retirement fund. As of December 31, 2015, the principal outstanding was \$2,460,000 and as of December 31, 2014, the principal outstanding was \$2,750,000.

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 10 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds in 2014 and 2015 are presented below:

2015

<u>Fund Balances</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Assigned to			
Carry-over Purchase Orders	\$40,568		\$40,568
Capital Projects		\$905,138	905,138
<i>Total Assigned</i>	<u>40,568</u>	<u>905,138</u>	<u>945,706</u>
Unassigned (Deficit)	<u>1,881,087</u>		<u>1,881,087</u>
<i>Total Fund Balances</i>	<u><u>\$1,921,655</u></u>	<u><u>\$905,138</u></u>	<u><u>\$2,826,793</u></u>

2014

<u>Fund Balances</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assigned to			
Carry-over Purchase Orders	\$54,716		\$54,716
Capital Projects		\$1,009,237	1,009,237
<i>Total Assigned</i>	<u>54,716</u>	<u>1,009,237</u>	<u>1,063,953</u>
Unassigned (Deficit)	<u>1,689,805</u>		<u>1,689,805</u>
<i>Total Fund Balances</i>	<u><u>\$1,744,521</u></u>	<u><u>\$1,009,237</u></u>	<u><u>\$2,753,758</u></u>

Ella M. Everhard Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014
(Continued)

Note 11 – Joint Ventures

The Wadsworth Community Center:

In 2008, the Wadsworth City Schools teamed with community partners (the City of Wadsworth, Summa Health Systems, and the Wadsworth Public Library) to take an innovative approach to a new High School/Community Center Campus and, on November 4, 2008, the voters of the Wadsworth City Schools District approved a 5.9 mill bond levy for this unique project. A groundbreaking ceremony took place on August 13, 2009 and, at the December 14, 2012 meeting of the Board of Trustees, the Library entered into a “Use, Management and Lease Agreement” for the Wadsworth Community Center; which incorporates a health center, recreation center, Center for Older Adults, WCTV, and a library kiosk. The Library had minimal financial obligation to this community project; as it was not responsible for construction costs and the City of Wadsworth kindly agreed to allow the Library to occupy and use a 425 square foot space within the Community Center free of charge. The Library is responsible to provide the necessary furnishings and equipment for its designated space and contribute to the Community Center Enterprise Fund annually at \$.50 per square foot which began in 2013. The Community Center Enterprise Fund will be used for the maintenance, repair and replacement of building components that are shared among the Community Center partners. The Wadsworth Community Center was dedicated on February 4, 2013.

This page intentionally left blank.



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*

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

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 cash-basis financial statements of the governmental activities and each major fund of the Ella M. Public Library, Medina County, Ohio, (the Library) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated September 13, 2016, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 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

September 13, 2016



Dave Yost • Auditor of State

ELLA M. EVERHARD PUBLIC LIBRARY

MEDINA 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
OCTOBER 4, 2016