



Dave Yost • Auditor of State

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Blanchester Public Library
Clinton County
110 North Broadway
Blanchester, Ohio 45107

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 information of Blanchester Public Library, Clinton 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 Blanchester Public Library, Clinton County, Ohio, as of December 31, 2015 and 2014, and the respective changes in cash financial position and the budgetary comparison 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 Matters

Other Information

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 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

July 27, 2016

Blanchester, Ohio Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

This discussion and analysis of the Blanchester, Ohio Public Library's financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2015 and 2014, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2015 and 2014 are as follows:

Net position of the library increased \$62,204 during 2015 which is an increase of 13 percent from 2014, primarily as a result of the Library receiving increased local government funds from the State of Ohio. Net position of the library increased \$5,027, or 1 percent, in 2014 which was essentially flat compared to 2013.

The Library's general receipts are primarily property taxes and .3428971 of Clinton County's Undivided Library Funds and a 2 mil levy for the library district. These receipts represent 98 percent of the total cash received for governmental activities during both 2015 and 2014. Property tax receipts for 2015 and 2014 changed very little compared to 2013 as development within the Library District is stable and the Levy is a continuation levy.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained in the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2015 and 2014, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include fines and fees paid by Library patrons of our mission of providing cultural opportunities through books and other media to our patrons. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for stability in ULF and property taxes.

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The Library has two governmental funds: the General Fund and the Building and Repair Fund.

Governmental Funds - All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library has two major funds to report for this period – the General Fund and the Building and Repair Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Blanchester, Ohio Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2015 and 2014 on a cash basis:

(Table 1)
Net Position

	Governmental Activities	
	2015	2014
Assets		
Cash and Cash Equivalents	\$ 543,183	\$ 480,979
Total Assets	\$ 543,183	\$ 480,979
Net Position		
Unrestricted	\$ 543,183	\$ 480,979
Total Net Position	\$ 543,183	\$ 480,979

As mentioned previously, net position of library activities increased \$62,204 (or 13 percent) during 2015 and \$5,027 (or 1 percent) during 2014. The primary reasons contributing to the increases in cash balances are as follows:

- In both 2015 and 2014, the Library received increased local government funds from the State of Ohio that was the result of the State's biennial budget covering July 1, 2013 to June 30, 2015. The State's subsequent biennial budget covering July 1, 2015 to June 30, 2017, also provided for additional local government funds for the library on a year to year comparative basis.

The increased revenue for 2015 and 2014 was accompanied by decreases in:

- Salaries through employee retirements with new hires added at comparatively lower rates.
- Debt service as the Library's outstanding debt was fully retired in 2013.
- Overall operating expenses as the library desired to conserve current resources to allow for future building improvements and updates.

Blanchester, Ohio Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

Table 2 reflects the changes in net position on a cash basis in 2015 and 2014 for governmental activities.

(Table 2)
Changes in Net Position

	Governmental Activities	
	2015	2014
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 8,714	\$ 12,479
Total Program Receipts	8,714	12,479
General Receipts:		
Property Taxes	191,850	191,303
Unrestricted Gifts and Contributions	2,340	1,483
Grants and Entitlements Not Restricted to Specific Programs	453,853	427,416
Interest	241	194
Total General Receipts	648,284	620,396
Total Receipts	656,998	632,875
Disbursements:		
Library Services	79,492	111,989
Support Services	475,162	494,548
Capital Outlay	40,140	21,311
Total Disbursements	594,794	627,848
Increase (Decrease) in Net Position	62,204	5,027
Net Position, January 1	480,979	475,952
Net Position, December 31	\$ 543,183	\$ 480,979

Program receipts represent less than 2 percent of total receipts for both 2015 and 2014 and are primarily comprised of fines and fees from patrons for media services.

In substance property tax receipts represent a substantial portion of the Library's total general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for the Library represent the overhead costs of running the Library and the support services provided for the other Library activities. These include the costs of books, media, and consortium fees as well as programs to fulfill the mission of the Library. Other expenses are internal services such as payroll expenses and capital asset maintenance (utilities and building maintenance). Since the library is a service provider, a large portion of the budget is related to staff and infrastructure to provide services for informational, recreational, cultural and educational needs to the library district.

Blanchester, Ohio Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursements for library include library services, support services and capital outlay. The next column of the Statement of Activities identifies the amounts paid for fines and fees for library services. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement of Activities. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Library Services	\$ 79,492	\$ 71,175	\$ 111,989	\$ 101,843
Support Services	475,162	474,765	494,548	492,215
Capital Outlay	40,140	40,140	21,311	21,311
Total Expenses	\$ 594,794	\$ 586,080	\$ 627,848	\$ 615,369

The dependence upon property tax receipts, LLGSF and contributions and donations is apparent as nearly 100 percent of library activities are supported through these general receipts.

The Library's Funds

Total library's funds had receipts of \$656,998 for 2015 and \$632,875 for 2014 and disbursements of \$594,794 for 2015 and \$627,848 for 2014. The fund balance of the General Fund increased \$94,062 for 2015 as a result of additional local government funds being received in conjunction with the close scrutiny of expenses. The General Fund increased \$4,915 for 2014 for the same reasons.

General Fund receipts were more than disbursements in both 2015 and 2014 indicating that the General Fund is at least structurally balanced. It was the recommendation of the Finance Committee and administration that a continuation of our current level of spending will allow the Library to provide for our Library District for the foreseeable future.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2015 and 2014, the Library amended its General Fund budget several times to reflect changing circumstances. Actual receipts were above final-budgeted receipts primarily due to local government revenues being greater than anticipated. The differences between final-budgeted receipts and actual receipts was not significant.

Final General Fund disbursements were budgeted at \$874,739 and \$871,629, while actual disbursements were \$565,132 and \$636,385 for 2015 and 2014, respectively.

Blanchester, Ohio Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

Capital Assets and Debt Administration

Capital Assets

As the Library reports on the cash basis of accounting, capital assets are not reported in the accompanying financial statements.

Debt

At December 31, 2015, the Library did not have any outstanding debt as the remainder of the Library's debt was retired in 2013.

Current Issues

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited funding. We rely heavily on local taxes and have very little industry to support the tax base.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Pamela Smith CFO, Blanchester Public Library, 110 North Broadway, Blanchester, OH 45107.

Blanchester Public Library
Statement of Net Position - Cash Basis
December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 543,183</u>
<i>Total Assets</i>	<u><u>\$ 543,183</u></u>
Net Position	
Unrestricted	<u>\$ 543,183</u>
<i>Total Net Position</i>	<u><u>\$ 543,183</u></u>

See accompanying notes to the basic financial statements

Blanchester Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015

	Cash Disbursements	Program Cash Receipts	(Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Total Governmental Activities
Governmental Activities			
Current:			
Library Services:			
Public Services and Programs	\$ 6,256	\$ 8,317	\$ 2,061
Collection Development and Processing	73,236	-	(73,236)
Support Services:			
Facilities Operation and Maintenance	20,336	397	(19,939)
Information Services	28,413	-	(28,413)
Business Administration	426,413	-	(426,413)
Capital Outlay	40,140	-	(40,140)
<i>Total Governmental Activities</i>	594,794	8,714	(586,080)
<i>Total Primary Government</i>	\$ 594,794	\$ 8,714	(586,080)
General Receipts:			
Property Taxes Levied for General Purposes			191,850
Unrestricted Gifts and Contributions			2,340
Grants/Entitlements not Restricted to Specific Programs			453,853
Earnings on Investments			241
<i>Total General Receipts</i>			648,284
Change in Net Position			62,204
<i>Net Position Beginning of Year</i>			480,979
<i>Net Position End of Year</i>			\$ 543,183

See accompanying notes to the basic financial statements

Blanchester Public Library
Statement of Assets and Fund Balances-Cash Basis
Governmental Funds
December 31, 2015

	<u>General</u>	<u>Building and Repair Fund</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 341,847	\$ 201,336	\$ 543,183
<i>Total Assets</i>	<u>\$ 341,847</u>	<u>\$ 201,336</u>	<u>\$ 543,183</u>
Fund Balances			
Committed:			
Capital Improvements	\$ -	\$ 201,336	\$ 201,336
Assigned:			
Outstanding Encumbrances	2,338	-	2,338
Unassigned (Deficit)	<u>339,509</u>	<u>-</u>	<u>339,509</u>
<i>Total Fund Balances</i>	<u>\$ 341,847</u>	<u>\$ 201,336</u>	<u>\$ 543,183</u>

See accompanying notes to the basic financial statements

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

	General	Building and Repair Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 191,850	\$ -	\$ 191,850
Library and Local Government Support	453,853	-	453,853
Patron Fines and Fees	10,657	-	10,657
Earnings on Investments	99	142	241
Miscellaneous	397	-	397
<i>Total Receipts</i>	<u>656,856</u>	<u>142</u>	<u>656,998</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	6,256	-	6,256
Collection Development and Processing	73,236	-	73,236
Support Services:			
Facilities Operation and Maintenance	20,336	-	20,336
Information Services	28,413	-	28,413
Business Administration	426,413	-	426,413
Capital Outlay	8,140	32,000	40,140
<i>Total Disbursements</i>	<u>562,794</u>	<u>32,000</u>	<u>594,794</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>94,062</u>	<u>(31,858)</u>	<u>62,204</u>
<i>Net Change in Fund Balances</i>	94,062	(31,858)	62,204
<i>Fund Balances Beginning of Year</i>	<u>247,785</u>	<u>233,194</u>	<u>480,979</u>
<i>Fund Balances End of Year</i>	<u>\$ 341,847</u>	<u>\$ 201,336</u>	<u>\$ 543,183</u>

See accompanying notes to the basic financial statements

Blanchester 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 190,000	\$ 190,000	\$ 191,850	\$ 1,850
Library and Local Government Support	427,589	427,589	453,853	26,264
Patron Fines and Fees	9,000	9,000	10,657	1,657
Earnings on Investments	140	140	99	(41)
Miscellaneous	225	225	397	172
<i>Total Receipts</i>	626,954	626,954	656,856	29,902
Disbursements				
Current:				
Library Services:				
Public Services and Programs	7,064	8,464	6,256	2,208
Collection Development and Processing	130,105	130,105	75,552	54,553
Support Services:				
Facilities Operation and Maintenance	46,050	47,050	20,336	26,714
Information Services	34,600	34,600	28,413	6,187
Business Administration	489,468	482,068	426,435	55,633
Capital Outlay	167,452	172,452	8,140	164,312
<i>Total Disbursements</i>	874,739	874,739	565,132	309,607
<i>Excess of Receipts Over (Under) Disbursements</i>	(247,785)	(247,785)	91,724	339,509
<i>Net Change in Fund Balance</i>	(247,785)	(247,785)	91,724	339,509
<i>Unencumbered Fund Balance Beginning of Year</i>	239,248	239,248	239,248	-
<i>Prior Year Encumbrances Appropriated</i>	8,537	8,537	8,537	-
<i>Unencumbered Fund Balance End of Year</i>	\$ -	\$ -	\$ 339,509	\$ 339,509

See accompanying notes to the basic financial statements

Blanchester Public Library
Statement of Net Position - Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 480,979
<i>Total Assets</i>	<u>\$ 480,979</u>
Net Position	
Unrestricted	\$ 480,979
<i>Total Net Position</i>	<u>\$ 480,979</u>

See accompanying notes to the basic financial statements

Blanchester Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Total Governmental Activities
Governmental Activities			
Current:			
Library Services:			
Public Services and Programs	\$ 3,145	\$ 10,146	\$ 7,001
Collection Development and Processing	108,844	-	(108,844)
Support Services:			
Facilities Operation and Maintenance	29,509	2,333	(27,176)
Information Services	27,474	-	(27,474)
Business Administration	437,565	-	(437,565)
Capital Outlay	21,311	-	(21,311)
<i>Total Governmental Activities</i>	627,848	12,479	(615,369)
<i>Total Primary Government</i>	\$ 627,848	\$ 12,479	(615,369)
General Receipts:			
Property Taxes Levied for General Purposes			191,303
Unrestricted Gifts and Contributions			1,483
Grants/Entitlements not Restricted to Specific Programs			427,416
Earnings on Investments			194
<i>Total General Receipts</i>			620,396
Change in Net Position			5,027
<i>Net Position Beginning of Year</i>			475,952
<i>Net Position End of Year</i>			\$ 480,979

See accompanying notes to the basic financial statements

Blanchester Public Library
Statement of Assets and Fund Balances-Cash Basis
Governmental Funds
December 31, 2014

	<u>General</u>	<u>Building and Repair Fund</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 247,785	\$ 233,194	\$ 480,979
<i>Total Assets</i>	<u>\$ 247,785</u>	<u>\$ 233,194</u>	<u>\$ 480,979</u>
Fund Balances			
Committed:			
Capital Improvements	\$ -	\$ 233,194	\$ 233,194
Assigned:			
Outstanding Encumbrances	8,537	-	8,537
Unassigned (Deficit)	<u>239,248</u>	<u>-</u>	<u>239,248</u>
<i>Total Fund Balances</i>	<u>\$ 247,785</u>	<u>\$ 233,194</u>	<u>\$ 480,979</u>

See accompanying notes to the basic financial statements

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

	General	Building and Repair Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 191,303	\$ -	\$ 191,303
Library and Local Government Support	427,416	-	427,416
Patron Fines and Fees	11,629	-	11,629
Earnings on Investments	82	112	194
Miscellaneous	2,333	-	2,333
<i>Total Receipts</i>	<u>632,763</u>	<u>112</u>	<u>632,875</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	3,145	-	3,145
Collection Development and Processing	108,844	-	108,844
Support Services:			
Facilities Operation and Maintenance	29,509	-	29,509
Information Services	27,474	-	27,474
Business Administration	437,565	-	437,565
Capital Outlay	21,311	-	21,311
<i>Total Disbursements</i>	<u>627,848</u>	<u>-</u>	<u>627,848</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,915</u>	<u>112</u>	<u>5,027</u>
<i>Net Change in Fund Balances</i>	4,915	112	5,027
<i>Fund Balances Beginning of Year</i>	<u>242,870</u>	<u>233,082</u>	<u>475,952</u>
<i>Fund Balances End of Year</i>	<u>\$ 247,785</u>	<u>\$ 233,194</u>	<u>\$ 480,979</u>

See accompanying notes to the basic financial statements

Blanchester 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	\$ 236,000	\$ 236,000	\$ 191,303	\$ (44,697)
Library and Local Government Support	391,739	383,769	427,416	43,647
Patron Fines and Fees	9,000	9,000	11,629	2,629
Earnings on Investments	140	140	82	(58)
Miscellaneous	225	225	2,333	2,108
<i>Total Receipts</i>	637,104	629,134	632,763	3,629
Disbursements				
Current:				
Library Services:				
Public Services and Programs	7,359	6,534	3,209	3,325
Collection Development and Processing	128,694	131,419	114,549	16,870
Support Services:				
Facilities Operation and Maintenance	40,286	51,286	29,509	21,777
Information Services	35,000	35,000	28,074	6,926
Business Administration	492,777	487,502	439,733	47,769
Capital Outlay	175,858	159,888	21,311	138,577
<i>Total Disbursements</i>	879,974	871,629	636,385	235,244
<i>Excess of Receipts Over (Under) Disbursements</i>	(242,870)	(242,495)	(3,622)	238,873
<i>Net Change in Fund Balance</i>	(242,870)	(242,495)	(3,622)	238,873
<i>Unencumbered Fund Balance Beginning of Year</i>	230,391	230,391	230,391	-
<i>Prior Year Encumbrances Appropriated</i>	12,479	12,479	12,479	-
<i>Unencumbered Fund Balance End of Year</i>	\$ -	\$ 375	\$ 239,248	\$ 238,873

See accompanying notes to the basic financial statements

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

1. Description of the Library and Reporting Entity

The Blanchester Public Library (the Library) was organized as a school district public library under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Blanchester Local 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 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. 61 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. The Library has no component units.

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

2. Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, the financial statements of the Blanchester 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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

2. Summary of Significant Accounting Policies (Continued)

Government-wide Financial Statements – 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 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. Nonmajor funds are aggregated and presented in a single column.

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 nonexchange 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.

Building and Repair Fund – The building fund accounts for and reports resources committed by the Board of Library Trustees specifically for major capital and technology improvements.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. 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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

2. Summary of Significant Accounting Policies (Continued)

Budgetary Process

All 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, function, and 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 Clerk Treasurer. 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.

The appropriation 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

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 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 certificates of deposit. These investments are recorded at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the general fund during 2015 and 2014 amounted to \$99 and \$82, respectively.

Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

2. Summary of Significant Accounting Policies (Continued)

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.

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:

Nonspendable The nonspendable 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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

2. Summary of Significant Accounting Policies (Continued)

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.

Employer Contributions to Cost-Sharing Pension Plan

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plan when they are paid. As described in Note 7, 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.

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. There were no restrictions due to enabling legislation.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available. The Library does not have any amounts that are restricted by enabling legislation.

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 differences between the budgetary basis and the cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$2,338 in 2015 and \$8,537 in 2014 for the General Fund.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

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.

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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

4. Deposits and Investments (Continued)

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 fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$75 in undeposited cash on hand which is included as part of "Cash" or "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Deposits

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, \$236,035 of the Library's bank balance of \$546,035 was exposed to custodial credit risk because 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.

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.

5. Grants-in-aid and Property Taxes

A primary source of funding for the Library is the Public Library Fund (PLF). The Library's share of PLF is determined by various factors including the State of Ohio's budget and the method used by the County Auditor to allocate PLF funding. PLF funding is recorded within the line item "Library and Local Government Support" in the fund level financial statements and "Grants/Entitlements not restricted to Specific Programs" in the entity-wide financial statements.

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

2015 real property taxes are levied after October 1, 2015, on the assessed value as of January 1, 2015, 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.

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 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

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.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

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 maintained commercial insurance for comprehensive property and general liability and errors and omissions.

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.

7. Defined Benefit Pension Plan

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.

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):

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

7. Defined Benefit Pension Plan (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C 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.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$40,264 for year 2015 and \$41,643 for year 2014.

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

8. Related Party Transactions

The fiscal officer is the spouse of the Certified Public Accountant that is preparing the Library payroll reports. The Library does not pay for this service.



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*

Blanchester Public Library
Clinton County
110 North Broadway
Blanchester, Ohio 45107

To the board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, and each major fund of the Blanchester Public Library, Clinton County, (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 July 27, 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 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*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

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

July 27, 2016

**BLANCHESTER PUBLIC LIBRARY
CLINTON COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2013-001	Revenues were not properly classified on the financial statements.	Partially corrected	Reissued as a management letter comment
2013-002	The library did not report funds in accordance with GASB 54	Fully corrected	

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Dave Yost • Auditor of State

BLANCHESTER PUBLIC LIBRARY

CLINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 16, 2016**