

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

**FINANCIAL STATEMENTS
(AUDITED)**

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

LESLIE HAINES, FISCAL OFFICER



Dave Yost • Auditor of State

Board of Trustees
Marvin Memorial Library
29 W. Whitney Avenue
Shelby, Ohio 44875

We have reviewed the *Independent Auditor's Report* of the Marvin Memorial Library, Richland County, prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

June 8, 2016

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**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Marvin Memorial Library
Richland County
29 W. Whitney Avenue
Shelby, Ohio 44875

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Marvin Memorial Library, Richland County, Ohio, as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Marvin Memorial 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 Marvin Memorial Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 1 of the financial statements, the Marvin Memorial Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Marvin Memorial Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Marvin Memorial Library as of December 31, 2015 and 2014, or changes in financial position or cash flows (2015) thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Marvin Memorial Library, Richland County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2016, on our consideration of the Marvin Memorial 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 Marvin Memorial Library's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 8, 2016

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Public Library	\$ 461,159	\$ -	\$ -	\$ 461,159
Patron Fines and Fees	15,700	-	-	15,700
Contributions, Gifts and Donations	16,533	-	-	16,533
Earnings on Investments	601	-	-	601
Interest	-	33,620	1,449	35,069
Miscellaneous	7,171	-	-	7,171
Total cash receipts	501,164	33,620	1,449	536,233
Cash disbursements:				
Current:				
Library Services	594,452	7,919	-	602,371
Support Services:				
Business Administration	-	-	4,709	4,709
Capital Outlay	2,459	-	15,503	17,962
Total cash disbursements	596,911	7,919	20,212	625,042
Net change in fund cash balances	(95,747)	25,701	(18,763)	(88,809)
Fund cash balances, January 1, 2015	312,472	748,533	624,199	1,685,204
Fund cash balances, December 31, 2015:				
Restricted	-	774,234	-	774,234
Committed	-	-	605,436	605,436
Assigned	8,989	-	-	8,989
Unassigned	207,736	-	-	207,736
Fund cash balances, December 31, 2015:	\$ 216,725	\$ 774,234	\$ 605,436	\$ 1,596,395

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
BALANCES (CASH BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Proprietary Fund Type
	Enterprise
Operating cash receipts:	
Miscellaneous	\$ 16,779
Total operating cash receipts	16,779
Operating cash disbursements:	
Purchased and Contracted Services	6,643
Supplies	919
Other	360
Total operating cash disbursements	7,922
Operating income	8,857
Net income/(loss)	8,857
Fund cash balances, January 1, 2015	-
Fund cash balances, December 31, 2015	\$ 8,857

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Public Library	\$ 426,352	\$ -	\$ -	\$ 426,352
Patron Fines and Fees	16,080	-	-	16,080
Contributions, Gifts and Donations	164,916	-	-	164,916
Earnings on Investments	17,433	55	-	17,488
Interest	-	31,827	958	32,785
Miscellaneous	8,120	-	-	8,120
Total cash receipts	<u>632,901</u>	<u>31,882</u>	<u>958</u>	<u>665,741</u>
Cash disbursements:				
Current:				
Library Services	522,190	36,222	-	558,412
Support Services:				
Business Administration	-	-	27,984	27,984
Capital Outlay	4,088	-	68,772	72,860
Total cash disbursements	<u>526,278</u>	<u>36,222</u>	<u>96,756</u>	<u>659,256</u>
Total cash receipts over/(under) cash disbursements	<u>106,623</u>	<u>(4,340)</u>	<u>(95,798)</u>	<u>6,485</u>
Other financing receipts/(disbursements):				
Operating transfers in	50,000	-	-	50,000
Operating transfers out	-	-	(50,000)	(50,000)
Total other financing receipts/(disbursements)	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund cash balances	156,623	(4,340)	(145,798)	6,485
Fund cash balances, January 1, 2014	<u>155,849</u>	<u>752,873</u>	<u>769,997</u>	<u>1,678,719</u>
Fund cash balances, December 31, 2014:				
Restricted	-	748,533	-	748,533
Committed	-	-	624,199	624,199
Assigned	12,886	-	-	12,886
Unassigned	299,586	-	-	299,586
Fund cash balances, December 31, 2014:	<u>\$ 312,472</u>	<u>\$ 748,533</u>	<u>\$ 624,199</u>	<u>\$ 1,685,204</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Marvin Memorial Library, Richland County, Ohio, (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 Board of Trustees of seven members, all of whom are appointed by the Board of Education of Shelby City School District. 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 that of the Fiscal Officer. The Library provides the community with a wide variety of resources for education and entertainment.

The Library is fiscally independent of the Board of Education, although Shelby City School's 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 Library's Board of 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 Statements No. 14, No. 39, and No. 61 of the Government Accounting Standards Board, "the Library is considered to be a related organization of the 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. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. 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 has no component units.

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

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). The basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. The basis records gains or losses at the time of sale as receipts and disbursements, respectively.

The Library's common stock is valued at fair value when donated.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Funds:

Wood Memorial Fund - The use of the Wood Memorial Fund shall be limited to landscaping, furniture and audiovisual materials.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Williams Memorial Fund - Williams Memorial Fund accounts for dividends received from the donated common stock and interest received from certificates of deposit. The use of the Williams Memorial Fund shall be limited to the purchase of reference materials and selected works in the fields of scientific development and invention, including audio visuals, electronic media, and new technologies.

3. Capital Projects Fund

This fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following Capital Projects Fund:

Building and Repair Fund - The use of the Building and Repair Fund shall be limited to major planned expenditures or building repair expenditures which are submitted to the Board if the amount exceeds \$5,000.

4. Enterprise Fund

This fund accounts for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The Library had the following Enterprise Fund:

Enterprise Fund - The use of the Enterprise Fund shall be limited to receipts and disbursements associated with four rental units of a property located at 36 N. Gamble Street, Shelby, Ohio that is owned by the Library.

E. Budgetary Process

The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures, that is, disbursements and encumbrances, may not exceed appropriations at the legal level of control, the object level within each fund.

F. Fund Balance

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

1. Nonspendable

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Restricted

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

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant and Equipment

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

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

NOTE 2 - EQUITY IN POOLED CASH AND INVESTMENTS

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

	2014	2015
Demand deposits	\$93,760	\$76,882
Certificates of deposit	171,546	105,707
STAR Plus	1,371,062	1,373,827
Total deposits	1,636,368	1,556,416
Common stock (at cost, fair value was \$1,005,813 and \$893,039 at December 31, 2014 and 2015, respectively)	48,836	48,836
Total investments	48,836	48,836
Total deposits and investments	\$1,685,204	\$1,605,252

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: The stock certificates are held in a safe deposit box in the name of the Library.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 - BUDGETARY ACTIVITY

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

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 650,500	\$ 682,901	\$ 32,401
Special Revenue	21,257	31,882	10,625
Capital Projects	500	958	458
Total	\$ 672,257	\$ 715,741	\$ 43,484

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 748,700	\$ 539,164	\$ 209,536
Special Revenue	63,700	38,481	25,219
Capital Projects	159,295	146,756	12,539
Total	\$ 971,695	\$ 724,401	\$ 247,294

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 456,449	\$ 501,164	\$ 44,715
Special Revenue	21,012	33,620	12,608
Capital Projects	600	1,449	849
Enterprise	15,000	16,779	1,779
Total	\$ 493,061	\$ 553,012	\$ 59,951

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 617,648	\$ 605,900	\$ 11,748
Special Revenue	49,152	7,919	41,233
Capital Projects	35,000	21,657	13,343
Enterprise	15,000	7,922	7,078
Total	\$ 716,800	\$ 643,398	\$ 73,402

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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

NOTE 4 - GRANTS-IN-AID RECEIPTS

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. This method of distribution is called the "percentage of revenue" method. This method was not used for August 2011 through June 2013. During that 23 month period PLF received a designated percentage of the dollar amounts received by the fund during the corresponding month of the fiscal year 2011 "base-year" period. Effective July 2013 the statutory allocation method reverted to the "percentage of revenue" method for PLF distribution. The fund received an amount equal to a specified percentage of the amount of GRF tax revenue received during the previous month. Beginning with the July 2013 distribution the "statutory allocation method" was implemented. The calendar year 2013 entitlements were used in the computation as the basis of each county's allocation percentage. Those percentages were used through December 2013. In December 2013 the actual calendar year entitlement was computed. Any difference was adjusted evenly to the PLF distributions from January-June 2014. In calendar year 2014 the statutory entitlement computation method continued. Estimated entitlement figures were issued to County Auditors in July 2013, December 2013 and June 2014. The actual 2014 entitlements will be computed in December 2014. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June 2015. The State Public Library Fund (PLF) percentage was 1.66% of the total General Revenue Fund (GRF) tax receipts.

The Library collected no property taxes in 2014 or 2015.

NOTE 5 - DEBT

The Shelby City School District serves as the taxing authority in a ministerial function, and can issue tax related debt on behalf of the Library. The determination to request approval of a tax levy, the rate, and the purpose are discretionary decisions made solely by the Library's Board of Trustees. The Library has no debt.

NOTE 6 - RETIREMENT SYSTEM

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include post-retirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2015, members contributed 10% of their gross salaries and the Library contributed an amount equal to 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2015.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 7 - RISK MANAGEMENT

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014 (the latest information available).

	2013	2014
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	\$5,805,909	\$5,887,681

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**MARVIN MEMORIAL LIBRARY
RICHLAND COUNTY, OHIO**

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

NOTE 8 - SUBSEQUENT EVENTS

The Library passed a 1.75 mil levy in May 2015, with collections beginning in 2016.



Julian & Grube, Inc.

Serving Ohio Local Governments

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

Marvin Memorial Library
Richland County
29 W. Whitney Avenue
Shelby, Ohio 44875

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Marvin Memorial Library, Richland County, Ohio as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 8, 2016, wherein we noted the Marvin Memorial Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Marvin Memorial 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 Marvin Memorial 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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Marvin Memorial 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 deficiencies in internal control 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.

Board of Trustees
Marvin Memorial Library

Compliance and Other Matters

As part of reasonably assuring whether the Marvin Memorial 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 Marvin Memorial Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Marvin Memorial Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
April 8, 2016



Dave Yost • Auditor of State

MARVIN MEMORIAL PUBLIC LIBRARY

RICHLAND 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
JUNE 21, 2016**