



Dave Yost • Auditor of State

MARYSVILLE PUBLIC LIBRARY
UNION COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2017.....	3
Notes to the Financial Statements For the Year Ended December 31, 2017	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types For the Year Ended December 31, 2016.....	10
Notes to the Financial Statements For the Year Ended December 31, 2016	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Marysville Public Library
Union County
231 South Plum Street
Marysville, Ohio 43040

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 Marysville Public Library, Union County, Ohio (the Library) as of and for the years ended December 31, 2017 and December 31, 2016.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no such 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 2 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (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 Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2017 and December 31, 2016, and the respective changes in financial position or cash flows 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 cash balances, receipts and disbursements by fund type, and related notes of the Marysville Public Library, Union County as of December 31, 2017 and December 31, 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2018, 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 11, 2018

Marysville Public Library
Union County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$1,106,204	\$0	\$1,106,204
Public Library	707,446	0	707,446
Intergovernmental	74,834	0	74,834
Patron Fines and Fees	37,802	0	37,802
Contributions, Gifts and Donations	19,430	0	19,430
Earnings on Investments	15,644	0	15,644
<i>Total Cash Receipts</i>	<u>1,961,360</u>	<u>0</u>	<u>1,961,360</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	601,666	0	601,666
Collection Development and Processing	445,668	0	445,668
Support Services:			
Facilities Operation and Maintenance	179,854	0	179,854
Information Services	54,206	0	54,206
Business Administration	249,288	0	249,288
Capital Outlay	35,514	22,201	57,715
<i>Total Cash Disbursements</i>	<u>1,566,196</u>	<u>22,201</u>	<u>1,588,397</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>395,164</u>	<u>(22,201)</u>	<u>372,963</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	150,000	150,000
Transfers Out	(150,000)	0	(150,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(150,000)</u>	<u>150,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	245,164	127,799	372,963
<i>Fund Cash Balances, January 1</i>	<u>1,071,713</u>	<u>311,005</u>	<u>1,382,718</u>
Fund Cash Balances, December 31			
Assigned	0	438,804	438,804
Unassigned	1,316,877	0	1,316,877
<i>Fund Cash Balances, December 31</i>	<u>\$1,316,877</u>	<u>\$438,804</u>	<u>\$1,755,681</u>

See accompanying notes to the basic financial statements

Marysville Public Library, Union County

Notes to the Financial Statements For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Marysville Public Library (the Library), Union County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board of Education of the Marysville Exempted Village School District appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Friends of the Marysville Public Library, Inc. is a legally separate not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not have access to the resources provided by the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

The Library is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resources sharing. The CLC is further discussed in Note 8.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

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 funds of the Library are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project funds:

Building and Repair Fund – This fund accounts for monies set aside by the Board of Trustees to accumulate resources for the purpose of improving and repairing Library buildings.

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

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.

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:

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

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

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.

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

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

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,952,200	\$1,961,360	\$9,160
Capital Projects	0	0	0
Total	\$1,952,200	\$1,961,360	\$9,160

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

2017 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,937,700	\$1,716,196	\$221,504
Capital Projects	300,000	22,201	277,799
Total	\$2,237,700	\$1,738,397	\$499,303

Note 4 – Deposits and Investments

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

	<u>2017</u>
Demand deposits	\$83,906
Star OhioPlus	355,651
Cash on Hand (Petty Cash)	<u>535</u>
Total deposits	440,092
STAR Ohio	<u>1,315,589</u>
Total investments	<u>1,315,589</u>
Total deposits and investments	<u><u>\$1,755,681</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Library; or collateralized through the Ohio Pooled Collateral System (OPCS).

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Marysville Public Library, Union County

Notes to the Financial Statements For the Year Ended December 31, 2017

Property Taxes

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

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

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

Note 6 - Risk Management

Workers' Compensation coverage is provided by the State of Ohio. 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 (if material).

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property, general and umbrella liability
- Director and Officer Liability
- Employment Practices Liability
- Crime
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2017.

Note 8 – Joint Venture

The Library is a member of the Central Library Consortium (the "CLC"). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and cooperative resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced in 1988, has fourteen members consisting of Alexandria Public Library, Bexley Public

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2017*

Library, Columbus Metropolitan Library, Fairfield County District Public Library, Grandview Heights Public Library, London Public Library, Marysville Public Library, Pickaway County District Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Upper Arlington Public Library, Wagnalls Memorial Library and Worthington Libraries. The Marysville Public Library became a member of the CLC during September 2000. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Marysville Public Library paid \$77,526 to the CLC in 2017. The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1st Ave. Columbus, Ohio 43212.

You can read additional information concerning the CLC on their website, <http://www.clcoho.org/memberlibraries>.

Marysville Public Library
Union County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$1,094,614	\$0	\$1,094,614
Public Library	704,604	0	704,604
Intergovernmental	130,209	0	130,209
Patron Fines and Fees	41,237	0	41,237
Contributions, Gifts and Donations	15,745	0	15,745
Earnings on Investments	5,143	0	5,143
<i>Total Cash Receipts</i>	<u>1,991,552</u>	<u>0</u>	<u>1,991,552</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	595,866	0	595,866
Collection Development and Processing	439,270	0	439,270
Support Services:			
Facilities Operation and Maintenance	163,976	0	163,976
Information Services	53,758	0	53,758
Business Administration	308,118	0	308,118
Capital Outlay	44,181	18,512	62,693
<i>Total Cash Disbursements</i>	<u>1,605,169</u>	<u>18,512</u>	<u>1,623,681</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>386,383</u>	<u>(18,512)</u>	<u>367,871</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	140,000	140,000
Transfers Out	(140,000)	0	(140,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(140,000)</u>	<u>140,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	246,383	121,488	367,871
<i>Fund Cash Balances, January 1</i>	<u>825,330</u>	<u>189,517</u>	<u>1,014,847</u>
Fund Cash Balances, December 31			
Assigned	0	311,005	311,005
Unassigned	1,071,713	0	1,071,713
<i>Fund Cash Balances, December 31</i>	<u>\$1,071,713</u>	<u>\$311,005</u>	<u>\$1,382,718</u>

See accompanying notes to the basic financial statements

Marysville Public Library, Union County

Notes to the Financial Statements For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The Marysville Public Library (the Library), Union County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board of Education of the Marysville Exempted Village School District appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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Basis of Presentation

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Building and Repair Fund – This fund accounts for monies set aside by the Board of Trustees to accumulate resources for the purpose of improving and repairing Library buildings.

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2016*

Basis of Accounting

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

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

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

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

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.

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:

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

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2016*

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.

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

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

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,885,700	\$1,991,552	\$105,852
Capital Projects	0	0	0
Total	\$1,885,700	\$1,991,552	\$105,852

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2016*

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,880,600	\$1,745,169	\$135,431
Capital Projects	189,517	18,512	171,005
Total	<u>\$2,070,117</u>	<u>\$1,763,681</u>	<u>\$306,436</u>

Note 4 – Deposits and Investments

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

	<u>2016</u>
Demand deposits	\$126,445
Star OhioPlus	553,021
Cash on Hand (Petty Cash)	535
Total deposits	<u>680,001</u>
STAR Ohio	702,717
Total investments	<u>702,717</u>
Total deposits and investments	<u>\$1,382,718</u>

Deposits

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

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2016*

Property Taxes

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

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

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

Note 6 - Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property, general and umbrella liability
- Director and Officer Liability
- Employment Practices Liability
- Crime
- Vehicles; and
- Errors and omissions.

Note 7 - Defined Benefit Pension Plans

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2016.

Note 8 – Joint Venture

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

Marysville Public Library, Union County

*Notes to the Financial Statements
For the Year Ended December 31, 2016*

became a member of the CLC during September 2000. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Marysville Public Library paid \$74,993 to the CLC in 2016. The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1st Ave. Columbus, Ohio 43212.

You can read additional information concerning the CLC on their website, <http://www.clcoho.org/memberlibraries>.



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

Marysville Public Library
Union County
231 South Plum Street
Marysville, Ohio 43040

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 Marysville Public Library, Union County, (the Library) as of and for the years ended December 31, 2016 and December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated July 11, 2018 wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this report 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 11, 2018



Dave Yost • Auditor of State

MARYSVILLE PUBLIC LIBRARY

UNION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY, 31 2018