



**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State

**GRANDVIEW HEIGHTS PUBLIC LIBRARY
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Grandview Heights Public Library
Franklin County
1685 West First Avenue
Columbus, Ohio 43212

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 Grandview Heights Public Library, Franklin 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 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 Grandview Heights Public Library, Franklin 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 31, 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 31, 2018

Grandview Heights Public Library
Franklin 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	\$1,211,274	\$0	\$1,211,274
Public Library	1,352,407	0	1,352,407
Intergovernmental	159,408	0	159,408
Patron Fines and Fees	41,532	0	41,532
Services Provided to Other Entities	43,258	0	43,258
Contributions, Gifts and Donations	49,858	0	49,858
Earnings on Investments	9,548	0	9,548
Miscellaneous	33,717	0	33,717
<i>Total Cash Receipts</i>	<u>2,901,002</u>	<u>0</u>	<u>2,901,002</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	879,495	0	879,495
Collection Development and Processing	596,089	0	596,089
Support Services:			
Facilities Operation and Maintenance	252,008	0	252,008
Information Services	168,558	0	168,558
Business Administration	646,448	0	646,448
Capital Outlay	98,961	345,815	444,776
<i>Total Cash Disbursements</i>	<u>2,641,559</u>	<u>345,815</u>	<u>2,987,374</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>259,443</u>	<u>(345,815)</u>	<u>(86,372)</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	250,000	250,000
Transfers Out	(250,000)	0	(250,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(250,000)</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	9,443	(95,815)	(86,372)
<i>Fund Cash Balances, January 1</i>	<u>1,473,253</u>	<u>1,131,859</u>	<u>2,605,112</u>
Fund Cash Balances, December 31			
Committed	0	116,305	116,305
Assigned	130,389	919,739	1,050,128
Unassigned	1,352,307	0	1,352,307
<i>Fund Cash Balances, December 31</i>	<u>\$1,482,696</u>	<u>\$1,036,044</u>	<u>\$2,518,740</u>

See accompanying notes to the basic financial statements

Grandview Heights Public Library
Franklin County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Agency Fund
For the Year Ended December 31, 2017

	Total Agency
Operating Cash Receipts	
Services Provided to Other Entities	\$1,479,008
Miscellaneous	2,124
	1,481,132
<i>Total Operating Cash Receipts</i>	<i>1,481,132</i>
Operating Cash Disbursements	
Salaries	245,804
Employee Fringe Benefits	63,492
Purchased and Contracted Services	1,016,233
Library Materials and Information	11,299
Supplies	224
Other	100
	1,337,152
<i>Total Operating Cash Disbursements</i>	<i>1,337,152</i>
<i>Operating Income (Loss)</i>	<i>143,980</i>
Non-Operating Receipts (Disbursements)	
Capital Outlay	(16,970)
Interest	2,689
	(14,281)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(14,281)</i>
<i>Net Change in Fund Cash Balances</i>	<i>129,699</i>
<i>Fund Cash Balances, January 1</i>	<i>938,805</i>
	<i>938,805</i>
<i>Fund Cash Balances, December 31</i>	<i>\$1,068,504</i>
	<i>\$1,068,504</i>

See accompanying notes to the basic financial statements

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Grandview Heights Public Library (the Library), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library provides the community with various educational and literary resources. The Board of Education of the Grandview Heights City School District appoints a seven-member Board of Trustees to govern the Library. Appointments are for seven-year terms and members serve without compensation.

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 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.

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 debit 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 the amount to the Library.

The Library is the sole beneficiary of an endowment fund from the Grandview Heights Public Library Foundation (the Foundation). The Foundation is a legally separate, not-for-profit 501(c)(3), served by a Board of Trustees appointed by the Foundation Board. Since the Library is the sole beneficiary of the resources of the Foundation, it is considered a component unit of the Library. Under the regulatory basis of accounting, the Foundation's financial activity is not required to be presented with the Library's financial statements. Financial information for the Foundation can be obtained from The Columbus Foundation, 1234 East Broad Street, Columbus, Ohio 43205-1453.

The Friends of the Grandview Heights Public Library organization was dissolved in 2017. Prior to dissolving, the Friends were a legally separate, not-for-profit organization with a self-appointing board. The Library was not financially accountable for the organization, nor did the Library approve the budget or issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Library is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual members through collective efforts and resource sharing. The Library is the administrative and fiscal agent for the CLC. The Library is also a member of the Digital Downloads Collaboration (DDC), a joint venture to provide a shared electronic digital collection of eBook and eAudio services and content to the customers of the participating library districts. The CLC and DDC are further discussed in Note 10.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity (Continued)

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

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 Fund The building fund accounts for and reports building improvement and repair projects.

Agency Fund These funds are funds which the Library is acting in a custodial capacity. The Library has an agency fund for the Central Library Consortium (the CLC). This agency fund receives fees from consortium members to finance operating expenditures of the CLC.

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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control for the General Fund, and the Fund level for the Building Fund and for the Central Library Consortium Fund.

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.

Money market mutual funds are recorded at share values the mutual funds report. 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.

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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 - Summary of Significant Accounting Policies (Continued)

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	\$2,880,453	\$2,901,002	\$20,549
Capital Project	250,000	250,000	0
Agency	1,483,596	1,483,821	225
Total	\$4,614,049	\$4,634,823	\$20,774

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,321,492	\$2,938,472	\$383,020
Capital Project	814,350	468,710	345,640
Agency	1,842,959	1,796,044	46,915
Total	\$5,978,801	\$5,203,226	\$775,575

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

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:

	2017
Demand deposits	\$2,996,900
Cash on Hand	950
Total deposits	2,997,850
STAR Ohio	589,394
Total investments	589,394
Total deposits and investments	\$3,587,244

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. The Library’s deposits are insured by the Federal Deposit Insurance Corporation and are collateralized by the financial institution’s public entity deposit pool. The financial institution is in the process of joining the OPCS, however, at December 31, 2017, the financial institution still maintained its own collateral 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. The PLF received 1.70% of the State’s general revenue fund (GRF) tax sources in January-June 2017, and 1.68% of the GRF July-December 2017.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 5 – Grants in Aid and Taxes (Continued)

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 January 20. If the property owner elects to pay semiannually, the first half is due January 20. 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. The County Auditor periodically remits to the Library its portion of the taxes collected.

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 and general liability;
- Crime;
- Boilers and Machinery;
- Directors and Officers Liability
- Cyber
- Vehicles; and
- Errors and omissions.

The Library also provides health, dental, life and vision insurance to full-time employees through private carriers.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 7 - Defined Benefit Pension Plans (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2017, the Library's 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 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

Note 9 - Construction and Contractual Commitments

The Library Board approved issuing a purchase order to IAP Government Services Group in the Fall of 2017 for a project that includes a family restroom, a nursing room, and installation of a door in the administrative offices hallway. IAP subcontracted with Johnson Laux Construction Ohio for the project. The total project cost is \$116,305.23, which includes the IAP management and oversight fee plus a \$15,000 contingency for the project. The project is expected to be completed in the first quarter of 2018.

Note 10 - Joint Ventures

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 resources sharing.

The CLC, which commenced on June 13, 1988, has seventeen members consisting of the Fairfield County District Library, Grandview Heights Public Library, Pickerington Public Library, Wagnalls Memorial Library, Alexandria Public Library, Pickaway County District Public Library, Marysville Public Library, Plain City Public Library, Columbus Metropolitan Library, Southwest Public Libraries, Worthington Public Libraries, Upper Arlington Public Library, Bexley Public Library, London Public Library, Delaware County District Library, Granville Public Library, and Pataskala Public Library. The CLC is governed by a council consisting of one appointed representative by each member library. The Governing Council elects a chair and a secretary. 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 Library has no explicitly and measurable equity interest in the venture. The Library's only ongoing fiscal responsibility to the CLC is for participating projects that have been entered into by the Library.

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

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 10 – Joint Ventures (Continued)

The Library is also a member of the Digital Downloads Collaboration (DDC), a joint venture to provide a shared electronic digital collection of eBook and eAudio services and content to the customers of the participating library districts. The DDC which commenced in 2004, has seventeen library members consisting of the Alexandria Public Library, Bexley Public Library, Columbus Metropolitan Library, Fairfield County District Library, Grandview Heights Public Library, Greene County Public Library, London Public Library, Marysville Public Library, Pickaway County District Public Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Troy-Miami County Public Library, Upper Arlington Public Library, Wagnalls Memorial Library, Washington-Centerville Public Library, and Worthington Public Libraries. The DDC's financial operations are the responsibility of the Columbus Metropolitan Library. Each member makes payment to the DDC in the amount established in the agreement.

Additional information about the Digital Downloads Collaboration is available at their website:
<https://clc.overdrive.com/>

Note 11– Subsequent Events

Voters at the General Election on November 8, 2016 approved a 5 year renewal of the Library's 2.5 mills operating levy with an increase of 2 mills. This tax levy commences on the tax duplicate in 2017, first due in calendar year 2018.

Grandview Heights Public Library
Franklin 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	\$1,198,931	\$0	\$1,198,931
Public Library	1,346,975	0	1,346,975
Intergovernmental	163,284	0	163,284
Patron Fines and Fees	46,328	0	46,328
Services Provided to Other Entities	53,569	0	53,569
Contributions, Gifts and Donations	32,712	0	32,712
Earnings on Investments	3,840	0	3,840
Miscellaneous	9,118	0	9,118
<i>Total Cash Receipts</i>	<u>2,854,757</u>	<u>0</u>	<u>2,854,757</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	921,850	0	921,850
Collection Development and Processing	561,443	0	561,443
Support Services:			
Facilities Operation and Maintenance	268,301	0	268,301
Information Services	146,464	0	146,464
Business Administration	659,013	0	659,013
Capital Outlay	110,845	169,208	280,053
<i>Total Cash Disbursements</i>	<u>2,667,916</u>	<u>169,208</u>	<u>2,837,124</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>186,841</u>	<u>(169,208)</u>	<u>17,633</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	500,000	500,000
Transfers Out	(500,000)	0	(500,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(500,000)</u>	<u>500,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(313,159)	330,792	17,633
<i>Fund Cash Balances, January 1</i>	<u>1,786,412</u>	<u>801,067</u>	<u>2,587,479</u>
Fund Cash Balances, December 31			
Assigned	441,039	1,131,859	1,572,898
Unassigned	1,032,214	0	1,032,214
<i>Fund Cash Balances, December 31</i>	<u>\$1,473,253</u>	<u>\$1,131,859</u>	<u>\$2,605,112</u>

See accompanying notes to the basic financial statements

Grandview Heights Public Library
Franklin County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Agency Fund
For the Year Ended December 31, 2016

	Total Agency
Operating Cash Receipts	
Services Provided to Other Entities	\$1,385,848
Miscellaneous	4,302
	1,390,150
<i>Total Operating Cash Receipts</i>	<i>1,390,150</i>
Operating Cash Disbursements	
Salaries	231,870
Employee Fringe Benefits	60,158
Purchased and Contracted Services	938,472
Library Materials and Information	8,915
Supplies	263
Other	225
	1,239,903
<i>Total Operating Cash Disbursements</i>	<i>1,239,903</i>
<i>Operating Income (Loss)</i>	<i>150,247</i>
Non-Operating Receipts (Disbursements)	
Capital Outlay	(53,041)
Interest	925
	(52,116)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(52,116)</i>
<i>Net Change in Fund Cash Balances</i>	<i>98,131</i>
<i>Fund Cash Balances, January 1</i>	<i>840,674</i>
	840,674
<i>Fund Cash Balances, December 31</i>	<i>\$938,805</i>
	\$938,805

See accompanying notes to the basic financial statements

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

The Grandview Heights Public Library (the Library), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library provides the community with various educational and literary resources. The Board of Education of the Grandview Heights City School District appoints a seven-member Board of Trustees to govern the Library. Appointments are for seven-year terms and members serve without compensation.

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 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.

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 the amount to the Library.

The Library is the sole beneficiary of an endowment fund from the Grandview Heights Public Library Foundation (the Foundation). The Foundation is a legally separate, not-for-profit 501(c)(3), served by a Board of Trustees appointed by the Foundation Board. Since the Library is the sole beneficiary of the resources of the Foundation, it is considered a component unit of the Library. Under the regulatory basis of accounting, the Foundation's financial activity is not required to be presented with the Library financial statements. Financial information for the Foundation can be obtained from The Columbus Foundation, 1234 East Broad Street, Columbus, Ohio 43205-1453.

The Friends of the Grandview Heights Public Library 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 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's management believes these financial statements present all activities for which the Library is financially accountable.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Library is a member of the Central Library Consortium (the "CLC"), a joint venture to provide reduced costs to the individual members through collective efforts and resource sharing. The Library is the administrative and fiscal agent for the CLC.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity (Continued)

The Library is also a member of the Digital Downloads – A Library Collaboration (DDALC), a joint venture to finance online audio and print books as well as other digital projects for participating libraries. The CLC and DDALC are further discussed in Note 9.

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

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 Fund The building fund accounts for and reports building improvement and repair projects.

Agency Fund These funds are funds which the Library is acting in a custodial capacity. The Library has an agency fund for the Central Library Consortium (the "CLC"). This agency fund receives fees from consortium members to finance operating expenditures of the CLC.

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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control for the General Fund, and the Fund level for the Building Fund and for the Central Library Consortium Agency Fund.

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.

Money market mutual funds are recorded at share values the mutual funds report. 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.

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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

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	\$2,893,701	\$2,854,757	(\$38,944)
Capital Project	500,000	500,000	0
Agency	1,391,065	1,391,075	10
Total	\$4,784,766	\$4,745,832	(\$38,934)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,622,386	\$3,240,590	\$381,796
Capital Project	320,000	169,208	150,792
Agency	1,513,940	1,357,405	156,535
Total	\$5,456,326	\$4,767,203	\$689,123

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 4 – Deposits and Investments

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

	2016
Demand deposits	\$2,960,375
Cash on Hand	400
Total deposits	2,960,775
STAR Ohio	583,142
Total investments	583,142
Total deposits and investments	\$3,543,917

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; 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. The PLF received 1.70% of all State General Revenue Fund tax sources in January-December 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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 5 – Grants in Aid and Taxes (Continued)

The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by January 20. If the property owner elects to pay semiannually, the first half is due January 20. 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. The County Auditor periodically remits to the Library its portion of the taxes collected.

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 and general liability;
- Crime;
- Boilers and Machinery;
- Directors and Officers Liability
- Computer and funds transfer fraud
- Vehicles; and
- Errors and omissions.

The Library also provides health, dental, and vision insurance to full-time employees through a private carrier.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2016, the Library's 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.

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 9 – Joint Ventures

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 resources sharing.

The CLC, which commenced on June 13, 1988, has fourteen members consisting of the Fairfield County District Library, Grandview Heights Public Library, Pickerington Public Library, Wagnalls Memorial Library, Alexandria Public Library, Pickaway County District Public Library, Marysville Public Library, Plain City Public Library, Columbus Metropolitan Library, Southwest Public Libraries, Worthington Libraries, Upper Arlington Public Library, Bexley Public Library, and London Public Library. The CLC is governed by a Council consisting of one appointed representative by each member library. The Governing Council elects a chair and a secretary. 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 Library has no explicitly 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.

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

The Library is also a member of the Digital Downloads – A Library Collaboration (DDLAC), a joint venture to finance online audio and print books as well as other digital projects for participating member libraries. The DDALS, which commenced in 2004, has seventeen members consisting of the Columbus Metropolitan Library, Alexandria Public Library, Bexley Public Library, Fairfield County District Library, Grandview Heights Public Library, Greene County Public Library, London Public Library, Marysville Public Library, Pickaway County District Public Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Troy-Miami County Public Library, Upper Arlington Public Library, Wagnalls Memorial Library, Washington-Centerville Public Library, and Worthington Libraries. The DDALC’s financial operations are the responsibility of the Columbus Metropolitan Library. Each member makes payment to the DDALC in the amount established in the agreements.

Additional information about the Digital Downloads is available at their website:
<http://digitalbooks.moldi.org/>

Grandview Heights Public Library
Franklin County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 10 – Subsequent Events

Voters at the General Election on November 8, 2016 approved a 5 year renewal of the Library's 2.5 mills operating levy with an increase of 2 mills. This tax levy commences on the tax duplicate in 2017, first due in calendar year 2018.



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

Grandview Heights Public Library
Franklin County
1685 West First Avenue
Columbus, Ohio 43212

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 Grandview Heights Public Library, Franklin County, (the Library) as of and for the years ended December 31, 2017 and December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated July 31, 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 31, 2018



Dave Yost • Auditor of State

GRANDVIEW HEIGHTS PUBLIC LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST, 21 2018