

**ROCKY RIVER PUBLIC LIBRARY
CUYAHOGA COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

REBECCA SPUHLER, FISCAL OFFICER



Dave Yost • Auditor of State

Board of Trustees
Rocky River Public Library
1600 Hampton Road
Rocky River, Ohio 44116

We have reviewed the *Independent Auditor's Report* of the Rocky River Public Library, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them

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

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

Dave Yost
Auditor of State

June 11, 2015

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**ROCKY RIVER PUBLIC LIBRARY
CUYAHOGA COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Rocky River Public Library
Cuyahoga County
1600 Hampton Road
Rocky River, Ohio 44116

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Rocky River Public Library, Cuyahoga County, Ohio, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Rocky River Public Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2.C. describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the Rocky River Public Library, Cuyahoga County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.C.

Accounting Basis

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

Other Matters

Other Information

We audited to opine on the Rocky River Public Library's financial statements that collectively comprise its basic financial statements.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3 - 9 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2015, on our consideration of the Rocky River Public 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 Rocky River Public Library's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 29, 2015

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

This discussion and analysis of the Rocky River Public Library's ("the Library") financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2014 and December 31, 2013, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2014 are as follows:

Net Position of governmental activities decreased \$138,068 or 2.3%.

The Library's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs. These receipts represent 95.66% of the total cash received during the year. Property taxes and grants and entitlements not restricted to specific programs receipts, (primarily the Public Library Fund "PLF") for 2014 increased by \$32,966, or (0.78%), compared to 2013 due to increased collections of property taxes.

Key highlights for 2013 are as follows:

Net Position of governmental activities increased \$23,585, or 0.40%.

The Library's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs. These receipts represent 97.06% of the total general cash receipts during the year. Property taxes and grants and entitlements not restricted to specific programs receipts (primarily the Public Library Fund "PLF") for 2013 increased \$32,909, or (0.78%), compared to 2012 due to increased collections of property taxes and increased PLF receipts.

Using the Basic Financial Statements

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

Report Components

The Statement of Net Position and the Statement of Activities provide information about the cash activities of the Library as a whole.

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

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

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

Basis of Accounting

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

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

Reporting the Library as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2014 and 2013, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances and investments of the governmental activities of the Library at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

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

In the Statement of Net Position and the Statement of Activities the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and library materials and information. These services are primarily funded by property taxes and the PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds, not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the Library's funds are reported in one classification as Governmental Funds.

Governmental Funds - The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column titled Other Governmental Funds. The Library's major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2014, 2013, and 2012 on a cash basis.

(Table 1)
Net Position

	Governmental Activities		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assets			
Equity in Pooled Cash & Cash Equivalents	\$ 5,754,065	\$ 5,892,133	\$ 5,868,548
Total Assets	<u>\$ 5,754,065</u>	<u>\$ 5,892,133</u>	<u>\$ 5,868,548</u>
Net Position			
Restricted for:			
Other Purposes	\$ 3,847	\$ 5,260	\$ 36,438
Unrestricted	5,750,218	5,886,873	5,832,110
Total Net Position	<u>\$ 5,754,065</u>	<u>\$ 5,892,133</u>	<u>\$ 5,868,548</u>

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

Table 2 reflects the changes in the Library's net assets in 2014, 2013 and 2012

(Table 2)

Change In Net Position

	Governmental Activities		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 70,945	\$ 73,438	\$ 70,815
Operating Grants and Contributions	68,666	12,012	38,883
Capital Grants and Contributions	<u>5,248</u>	<u>14,450</u>	<u>14,650</u>
Total Program Receipts	144,859	99,900	124,348
General Receipts:			
Property Taxes Levied for General Purposes	3,198,657	3,158,161	3,144,400
Unrestricted Gifts and Contributions	1,322	5,788	737
Grants & Entitlements not Restricted to Specific Programs	1,052,762	1,060,292	1,041,144
Earnings on Investments	10,902	9,861	5,943
Miscellaneous	<u>36,268</u>	<u>12,174</u>	<u>6,402</u>
Total General Receipts	<u>4,299,911</u>	<u>4,246,276</u>	<u>4,198,626</u>
Total Receipts	<u>4,444,770</u>	<u>4,346,176</u>	<u>4,322,974</u>
Disbursements			
Current:			
Library Services:			
Public Service and Programs	1,908,732	1,841,138	1,708,925
Collection Development and Processing	1,170,437	1,191,539	1,115,815
Support Services:			
Facilities Operation and Maintenance	449,067	425,588	430,053
Information Services	177,971	171,098	299,137
Business Administration	401,264	359,408	365,986
Capital Outlay	233,867	91,320	109,067
Debt Service:			
Principal Retirement	230,000	220,000	205,000
Interest and Finance Charges	<u>11,500</u>	<u>22,500</u>	<u>32,750</u>
Total Disbursements	<u>4,582,838</u>	<u>4,322,591</u>	<u>4,266,733</u>
Change in Net Position	(138,068)	23,585	56,241
Net Position, January 1	<u>5,892,133</u>	<u>5,868,548</u>	<u>5,812,307</u>
Net Position, December 31	<u>\$ 5,754,065</u>	<u>\$ 5,892,133</u>	<u>\$ 5,868,548</u>

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

Property taxes levied for general purposes and grants and entitlements not restricted to specific program receipts in 2014, 2013, and 2012 are 95.66%, 97.06% and 96.82%, respectively, of total receipts. Earnings on Investments have become a smaller portion of total receipts as investment rates have remained low during 2014 and 2013. Earnings on Investments during 2014, 2013 and 2012 were 0.25%, 0.23% and 0.14% in each year, respectively, of total receipts.

Disbursements for Public Service and Programs, Collection Development and Processing, Facilities Operation and Maintenance, Information Services and Business Administration represent the costs of running the Library.

Governmental Activities

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are Public Service and Programs, Collection Development and Processing, Facilities Operation and Maintenance, Information Services, Business Administration, Capital Outlay and Debt Service. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by those who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The Net Receipts (Disbursements) column compares the program receipts to the cost of the service. This net cost amount represents the cost of the service which ends up being paid from money provided by the state of Ohio and local taxpayers. These net costs are paid from the General Receipts which are presented at the bottom of the Statement.

A comparison between the total cost of services and the net cost is presented in Table 3 below.

(Table 3)

Governmental Activities

	Total Cost Of Services 2014	Net Cost Of Services 2014	Total Cost Of Services 2013	Net Cost Of Services 2013	Total Cost Of Services 2012	Net Cost Of Services 2012
Library Services:						
Public Service and Programs	\$ 1,908,732	\$ 1,820,963	\$ 1,841,138	\$ 1,755,638	\$ 1,708,925	\$ 1,631,547
Collection Development and Processing	1,170,437	1,122,437	1,191,539	1,188,049	1,115,815	1,082,815
Support Services:						
Facilities Operation and Maintenance	449,067	449,067	425,588	425,588	430,053	424,928
Information Services	177,971	174,079	171,098	171,098	299,137	299,137
Business Administration	401,264	396,066	359,408	348,498	365,986	357,141
Capital Outlay	233,867	233,867	91,320	91,320	109,067	109,067
Debt Service:						
Principal Retirement	230,000	230,000	220,000	220,000	205,000	205,000
Interest and Finance Charges	11,500	11,500	22,500	22,500	32,750	32,750
Total Governmental Activities	<u>\$4,582,838</u>	<u>\$4,437,979</u>	<u>\$4,322,591</u>	<u>\$4,222,691</u>	<u>\$4,266,733</u>	<u>\$4,142,385</u>

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

The Library's Funds

Total governmental funds had receipts in 2014 and 2013 of \$4,444,770 and \$4,346,176, respectively, and disbursements of \$4,582,838 and \$4,322,591, respectively.

General Fund Budgeting Highlights

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

During fiscal years 2014 and 2013, the Library's General Fund budget was stable. Final disbursements and transfers for 2014 and 2013 were budgeted at \$4,598,318 and \$4,577,624, respectively, while actual disbursements and transfers were \$4,271,699 and \$4,140,787, respectively. The variance between budgeted disbursements and actual disbursements is due in large part to the Library's continued commitment to provide superior service while still controlling costs.

Debt Administration

At December 31, 2014 and December 31, 2013, the Library had debt obligations of \$0 and \$230,000, respectively, from a Tax Anticipation Note Issuance in March 2005 with an initial principal amount of \$1,925,000. See Note 10 for further information.

Current Issues

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases, shrinking funding. The Library relies heavily on local taxes and PLF funding. The Library's levy request passed in 2003 was premised on the need to renovate the Library, increase services for children and to increase computer training and access for our patrons. These forecasts were done with an expectation that there would be, at best, no material growth in the PLF from the State of Ohio. The Board of Trustees and Administration conservatively forecasted the Library's needs for coming years and developed a plan that would allow the Library to complete its renovation plans and maintain the funding needed for operations in subsequent years. The PLF receipts increased slightly in 2013 from 2012, and decreased in 2014. This recent decrease was attributed to decreased general revenue collections of the State which is the factor used to determine the amount of funds available for the Public Library Fund. The current amount is set at 1.66% of the State's general revenue fund tax collections. It is not known if this percentage will be increased in future years. The value of real estate in Cuyahoga County and other areas has been impacted by numerous foreclosures and reappraisals in recent years. It is not known if these changes will translate into lower property tax collections in future years.

A prominent area of concern continues to be the containment of health care costs. The Library has worked hard to control increases in this area by working with a Broker and seeking competitive proposals. This has allowed the Library to maintain high levels of coverage for employees at the lowest cost possible.

Rocky River Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and December 31, 2013

In 2011, the Library developed a five year strategic plan to provide a framework for the fulfillment of educational, informational and recreational goals and is a conduit linking community needs with library resources. The strategic plan can be located on the Rocky River Public Library website at www.rrpl.org. As we enter 2015, the plan is mostly complete. Some projects we are working on over the next couple years are circulating iPads to patrons, creating a makerspace featuring a 3d printer for the public, providing free standing charging stations throughout the Library for patrons to charge their mobile devices, and expanding our services even further throughout the city.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Rebecca Spuhler, Fiscal Officer, Rocky River Public Library, 1600 Hampton Road, Rocky River, Ohio 44116 or email at r.spuhler@rrpl.org.

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Rocky River Public Library
Cuyahoga County
Statement of Net Position – Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and cash equivalents	\$ 5,754,065
<i>Total Assets</i>	<u>\$ 5,754,065</u>
Net Position	
Restricted for:	
Other Purposes	\$ 3,847
Unrestricted	<u>5,750,218</u>
<i>Total Net Position</i>	<u>\$ 5,754,065</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County
Statement of Activities – Cash Basis
December 31, 2014

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Library Services:					
Public Services and Programs	\$1,908,732	\$70,945	\$16,774	\$50	(\$1,820,963)
Collection Development and Processing	1,170,437		48,000		(1,122,437)
Support Services:					
Facilities Operation and Maintenance	449,067				(449,067)
Information Services	177,971		3,892		(174,079)
Business Administration	401,264			5,198	(396,066)
Capital Outlay	233,867				(233,867)
Debt Service:					
Principal Retirement	230,000				(230,000)
Interest and Fiscal Charges	11,500				(11,500)
<i>Total Governmental Activities</i>	<u>\$4,582,838</u>	<u>\$70,945</u>	<u>\$68,666</u>	<u>\$5,248</u>	(4,437,979)
General Receipts:					
Property Taxes Levied for General Purposes					3,198,657
Unrestricted Gifts and Contributions					1,322
Grants/Entitlements not Restricted to Specific Programs					1,052,762
Earnings on Investments					10,902
Miscellaneous					36,268
<i>Total General Receipts</i>					<u>4,299,911</u>
Change in Net Position					(138,068)
<i>Net Position Beginning of Year</i>					<u>5,892,133</u>
<i>Net Position End of Year</i>					<u>\$5,754,065</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2014

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 5,153,493	\$ 600,572	\$ 5,754,065
<i>Total Assets</i>	<u>\$ 5,153,493</u>	<u>\$ 600,572</u>	<u>\$ 5,754,065</u>
Fund Balances			
Restricted	\$ -	\$ 3,847	\$ 3,847
Committed	-	468,221	468,221
Assigned	85,340	128,504	213,844
Unassigned (Deficit)	<u>5,068,153</u>	<u>-</u>	<u>5,068,153</u>
<i>Total Fund Balances</i>	<u>\$ 5,153,493</u>	<u>\$ 600,572</u>	<u>\$ 5,754,065</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Cash Basis
December 31, 2014

Total Governmental Fund Balances	<u>\$ 5,754,065</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 5,754,065</u>

See accompanying notes to the basic financial statements.

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

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 3,198,657	\$ -	\$ 3,198,657
Public Library Fund	362,729	241,500	604,229
Intergovernmental	452,426	-	452,426
Patron Fines and Fees	70,945	-	70,945
Contributions, Gifts and Donations	66,095	5,248	71,343
Earnings on Investments	10,029	873	10,902
Miscellaneous	4,671	31,597	36,268
<i>Total Receipts</i>	<u>4,165,552</u>	<u>279,218</u>	<u>4,444,770</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	1,901,457	7,275	1,908,732
Collection Development and Processing	1,168,600	1,837	1,170,437
Support Services:			
Facilities Operation and Maintenance	449,067	-	449,067
Information Services	177,971	-	177,971
Business Administration	401,264	-	401,264
Capital Outlay	-	233,867	233,867
Debt Service:			
Principal Retirement	-	230,000	230,000
Interest and Fiscal Charges	-	11,500	11,500
<i>Total Disbursements</i>	<u>4,098,359</u>	<u>484,479</u>	<u>4,582,838</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>67,193</u>	<u>(205,261)</u>	<u>(138,068)</u>
Other Financing Sources (Uses)			
Transfers In	-	88,000	88,000
Transfers Out	(88,000)	-	(88,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(88,000)</u>	<u>88,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(20,807)	(117,261)	(138,068)
<i>Fund Balances Beginning of Year</i>	<u>5,174,300</u>	<u>717,833</u>	<u>5,892,133</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,153,493</u>	<u>\$ 600,572</u>	<u>\$ 5,754,065</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County

Reconciliation of the Statement of Receipts, Disbursements and Changes
in Fund Balances - Governmental Funds to the Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (138,068)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$ (138,068)</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 3,530,705	\$ 3,198,657	\$ 3,198,657	\$ -
Public Library Fund	355,859	362,729	362,729	-
Intergovernmental	442,800	452,426	452,426	-
Patron Fines and Fees	71,000	70,945	70,945	-
Contributions, Gifts and Donations	19,002	66,095	66,095	-
Earnings on Investments	10,000	10,029	10,029	-
Miscellaneous	3,698	4,671	4,671	-
<i>Total Receipts</i>	<u>4,433,064</u>	<u>4,165,552</u>	<u>4,165,552</u>	<u>-</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,007,970	2,009,613	1,911,749	97,864
Collection Development and Processing	1,286,405	1,280,997	1,222,260	58,737
Support Services:				
Facilities Operation and Maintenance	550,086	538,731	458,743	79,988
Information Services	208,328	206,580	179,734	26,846
Business Administration	417,527	474,397	411,213	63,184
<i>Total Disbursements</i>	<u>4,470,316</u>	<u>4,510,318</u>	<u>4,183,699</u>	<u>326,619</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(37,252)</u>	<u>(344,766)</u>	<u>(18,147)</u>	<u>(326,619)</u>
Other Financing Sources (Uses)				
Transfers Out	(80,000)	(88,000)	(88,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(80,000)</u>	<u>(88,000)</u>	<u>(88,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(117,252)	(432,766)	(106,147)	(326,619)
<i>Unencumbered Fund Balance Beginning of Year</i>	5,068,932	5,068,932	5,068,932	-
Prior Year Encumbrances Appropriated	105,368	105,368	105,368	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 5,057,048</u>	<u>\$ 4,741,534</u>	<u>\$ 5,068,153</u>	<u>\$ (326,619)</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County
Statement of Net Position – Cash Basis
December 31, 2013

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and cash equivalents	<u>\$ 5,892,133</u>
<i>Total Assets</i>	<u><u>\$ 5,892,133</u></u>
Net Position	
Restricted for:	
Other Purposes	\$ 5,260
Unrestricted	<u>5,886,873</u>
<i>Total Net Position</i>	<u><u>\$ 5,892,133</u></u>

See accompanying notes to the basic financial statements

Rocky River Public Library
Cuyahoga County
Statement of Activities – Cash Basis
December 31, 2013

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Library Services:					
Public Services and Programs	\$ 1,841,138	\$ 73,438	\$ 12,012	\$ 50	\$ (1,755,638)
Collection Development and Processing	1,191,539			3,490	(1,188,049)
Support Services:					
Facilities Operation and Maintenance	425,588				(425,588)
Information Services	171,098				(171,098)
Business Administration	359,408			10,910	(348,498)
Capital Outlay	91,320				(91,320)
Debt Service:					
Principal Retirement	220,000				(220,000)
Interest and Fiscal Charges	22,500				(22,500)
<i>Total Governmental Activities</i>	<u>\$ 4,322,591</u>	<u>\$ 73,438</u>	<u>\$ 12,012</u>	<u>\$ 14,450</u>	<u>\$ (4,222,691)</u>
General Receipts:					
Property Taxes Levied for General Purposes					3,158,161
Unrestricted Gifts and Contributions					5,788
Grants/Entitlements not Restricted to Specific Programs					1,060,292
Earnings on Investments					9,861
Miscellaneous					12,174
<i>Total General Receipts</i>					<u>4,246,276</u>
Change in Net Position					23,585
<i>Net Position Beginning of Year</i>					<u>5,868,548</u>
<i>Net Position End of Year</i>					<u>\$ 5,892,133</u>

See accompanying notes to the basic financial statements

Rocky River Public Library
Cuyahoga County
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 5,174,300	\$ 717,833	\$ 5,892,133
<i>Total Assets</i>	<u>\$ 5,174,300</u>	<u>\$ 717,833</u>	<u>\$ 5,892,133</u>
Fund Balances			
Restricted	\$ -	\$ 5,260	\$ 5,260
Committed	-	464,691	464,691
Assigned	117,252	247,882	365,134
Unassigned (Deficit)	<u>5,057,048</u>	<u>-</u>	<u>5,057,048</u>
<i>Total Fund Balances</i>	<u>\$ 5,174,300</u>	<u>\$ 717,833</u>	<u>\$ 5,892,133</u>

See accompanying notes to the basic financial statements

Rocky River Public Library
Cuyahoga County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities - Cash Basis
December 31, 2013

Total Governmental Fund Balances	<u>\$ 5,892,133</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 5,892,133</u>

See accompanying notes to the basic financial statements

River Public Library
Cuyahoga County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2013

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$ 3,158,161	\$ -	\$ 3,158,161
Public Library Fund	373,680	242,500	616,180
Intergovernmental	444,112	-	444,112
Patron Fines and Fees	73,438	-	73,438
Contributions, Gifts and Donations	17,800	14,450	32,250
Earnings on Investments	8,919	942	9,861
Miscellaneous	12,174	-	12,174
<i>Total Receipts</i>	<u>4,088,284</u>	<u>257,892</u>	<u>4,346,176</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	1,839,407	1,731	1,841,138
Collection Development and Processing	1,146,581	44,958	1,191,539
Support Services:			
Facilities Operation and Maintenance	425,588	-	425,588
Information Services	171,098	-	171,098
Business Administration	359,408	-	359,408
Capital Outlay	-	91,320	91,320
Debt Service:			
Principal Retirement	-	220,000	220,000
Interest and Fiscal Charges	-	22,500	22,500
<i>Total Disbursements</i>	<u>3,942,082</u>	<u>380,509</u>	<u>4,322,591</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>146,202</u>	<u>(122,617)</u>	<u>23,585</u>
Other Financing Sources (Uses)			
Transfers In	-	93,337	93,337
Transfers Out	(93,337)	-	(93,337)
<i>Total Other Financing Sources (Uses)</i>	<u>(93,337)</u>	<u>93,337</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	52,865	(29,280)	23,585
<i>Fund Balances Beginning of Year</i>	<u>5,121,435</u>	<u>747,113</u>	<u>5,868,548</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,174,300</u>	<u>\$ 717,833</u>	<u>\$ 5,892,133</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County

Reconciliation of the Statement of Receipts, Disbursements and Changes
in Fund Balances - Governmental Funds to the Statement of Activities - Cash Basis
For the Year Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 23,585</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 23,585</u>

See accompanying notes to the basic financial statements

Rocky River Public Library
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 3,492,553	\$ 3,158,161	\$ 3,158,161	\$ -
Public Library Fund	375,075	373,680	373,680	-
Intergovernmental	450,000	439,972	439,972	-
Patron Fines and Fees	66,500	73,438	73,438	-
Contributions, Gifts and Donations	10,500	17,800	17,800	-
Earnings on Investments	8,940	8,919	8,919	-
Miscellaneous	<u>1,500</u>	<u>16,314</u>	<u>16,314</u>	<u>-</u>
<i>Total Receipts</i>	<u>4,405,068</u>	<u>4,088,284</u>	<u>4,088,284</u>	<u>-</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	1,986,247	1,990,735	1,863,171	127,564
Collection Development and Processing	1,290,513	1,289,981	1,192,734	97,247
Support Services:				
Facilities Operation and Maintenance	565,382	565,676	443,316	122,360
Information Services	207,035	206,721	173,472	33,249
Business Administration	<u>435,110</u>	<u>431,174</u>	<u>374,757</u>	<u>56,417</u>
<i>Total Disbursements</i>	<u>4,484,287</u>	<u>4,484,287</u>	<u>4,047,450</u>	<u>436,837</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(79,219)</u>	<u>(396,003)</u>	<u>40,834</u>	<u>(436,837)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(93,337)</u>	<u>(93,337)</u>	<u>(93,337)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(93,337)</u>	<u>(93,337)</u>	<u>(93,337)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(172,556)	(489,340)	(52,503)	(436,837)
<i>Unencumbered Fund Balance Beginning of Year</i>	5,039,054	5,039,054	5,039,054	-
Prior Year Encumbrances Appropriated	<u>82,381</u>	<u>82,381</u>	<u>82,381</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 4,948,879</u>	<u>\$ 4,632,095</u>	<u>\$ 5,068,932</u>	<u>\$ (436,837)</u>

See accompanying notes to the basic financial statements.

Rocky River Public Library
Cuyahoga County

Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Note 1 – Description of The Library and Reporting Entity

The Rocky River Public Library, Cuyahoga County, (“the Library”) was organized as a school district public library in 1928 under the laws of the State of Ohio. The Library has its own Board of Trustees (“Board of Trustees”) of seven members who are appointed by the Rocky River City School District Board of Education (“Board of Education”). Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code (“ORC”) with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

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

Under the provisions of Statement No. 61 of the Governmental Accounting Standards Board, “The Financial Reporting Entity”, the Library is considered to be a related organization of the School District.

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

The Friends of the Rocky River Public Library, the Women’s Committee of the Rocky River Public Library and the Rocky River Public Library Foundation are not-for-profit organizations with self-appointing boards. The Library is not financially accountable for these organizations, nor does the Library approve the budgets or the issuance of debt for these organizations. Therefore, these organizations have been excluded from the reporting entity of the Library.

Separately maintained statements of The Friends of the Rocky River Public Library are available from:

Treasurer, The Friends of the Rocky River Public Library
Rocky River Public Library
1600 Hampton Road
Rocky River, Ohio 44116

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Separately maintained statements of the Women's Committee of the Rocky River Public Library are available from:

Treasurer, Women's Committee of the Rocky River Public Library
Rocky River Public Library
1600 Hampton Road
Rocky River, Ohio 44116

Separately maintained statements of the Rocky River Public Library Foundation are available from:

Treasurer, Rocky River Public Library Foundation
Rocky River Public Library
1600 Hampton Road
Rocky River, Ohio 44116

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2. C, the financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America. Generally Accepted Accounting Principles ("GAAP") include all relevant Governmental Accounting Standards Board ("GASB") pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are described below.

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statements of Net Position and the Statements of Activities display information about the Library as a whole. These statements include the financial activities of the Library. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange transactions.

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

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund - The General Fund accounts for all financial resources except those required to be accounted for 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.

The other governmental funds of the Library account for and report resources whose use is restricted, committed or assigned to a particular purpose.

C. Basis of Accounting

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

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

D. Budgetary Process

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

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

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

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

E. Cash and Cash Equivalents

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

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

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

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

During 2014 and 2013 investments were limited to STAR Ohio.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State of Ohio to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014 and December 31, 2013.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipt credited to the General Fund during 2014 and 2013 amounted to \$10,029 and \$8,919, respectively, which does not include interest receipts of \$873 and \$942, respectively, credited to other Library funds.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Library did not have any net cash assets restricted by enabling legislation at December 31, 2014 and December 31, 2013.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Fund Balance

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

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

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

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

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

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

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

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

J. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

K. Accumulated Leave

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

L. Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

M. Long-Term Obligations

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

N. Net Position

Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

O. Estimates

The cash basis of accounting used by the Library requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as expenditures by program type which cannot be specifically designated to a single program); accordingly, actual results could differ from those estimates.

Note 3 – Change in Accounting Principle

For the years 2013 and 2014, the Library has implemented GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”, GASB Statement No. 66, “Technical Corrections-2012: An Amendment of GASB Statements No. 10 and No. 62”, GASB Statement No. 69, “*Government Combinations and Disposals of Government Operations*” and GASB Statement No. 70, “*Accounting and Financial Reporting for Nonexchange Financial Guarantees*”.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Library.

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Library.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by government about combinations arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the Library.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Library.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances that are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding for the General Fund at December 31, 2014 and December 31, 2013 (budgetary basis) amounted to \$85,340 and \$105,368 respectively.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Note 5 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (“STAR Ohio”).
8. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

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

At December 31, 2014 and December 31, 2013, the Library had \$1,098 and \$648, respectively, in undeposited cash on hand for change and petty cash purposes which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2014 and 2013, the carrying amounts of the Library’s deposits were \$5,486,904 and \$4,796,109, respectively, and the bank balances were \$5,537,242 and \$4,816,063, respectively. The Library’s bank balance of \$5,415,363 and \$4,761,154 for the years ended December 31, 2014 and 2013, respectively, were covered by the Federal Deposit Insurance Corporation (FDIC). The remaining amounts of \$121,879 and \$54,909, respectively for years ended December 21, 2014 and 2013 were exposed to custodial risk.

The Library has no deposit policy for custodial risk beyond the requirements of State statute contained in ORC Section 135. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose fair value at all times shall be at least 105% of the deposits being secured.

Investments

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

	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	\$ 266,063	50.1
Total Investments	<u>\$ 266,063</u>	

As of December 31, 2013, the Library had the following investments:

	<u>Carrying Value</u>	<u>Maturity</u>
STAR Ohio	\$ 1,095,376	53.4
Total Investments	<u>\$ 1,095,376</u>	

Interest rate risk arises because the fair value of an investment changes as interest rates change. The Library’s investment policy addresses interest rate risk by requiring that the Library’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Rocky River Public Library
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The Library’s investment policy does not deal with investment credit risk beyond the requirements in State statute contained in ORC Section 135. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio carries a rating of AAAM by Standard and Poor’s.

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

Note 6 - Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Rocky River City School District. Real property tax receipts received in 2014 and 2013 represent the collection of 2013 and 2012 taxes, respectively. Real property taxes received in 2014 and 2013 were levied after October 1, 2014 and October 1, 2013, respectively, on the assessed values as of January 1, 2014, and January 1, 2013, the lien dates. Assessed values for real property taxes are established by State statute at 35% of appraised market value.

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

Public utility tangible property tax is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. Public utility property taxes collected in 2014 and 2013 which became a lien on December 31, 2013 and December 31, 2012, respectively, are levied after October 1, 2014 and October 1, 2013, respectively.

Tangible Personal Property Taxes have been phased out and the last year for collection was 2008. The rate was reduced to zero in 2009.

The full tax rate for all Library operations for the years-ended December 31, 2014 and December 31, 2013, was \$6.10 (6.1 mills) per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2014 and 2013 property tax receipts were based are as follows:

	2014	2013
Real Property		
Residential/Agricultural	\$581,250,710	\$580,182,360
Other Real Estate	117,899,460	117,102,550
Public Utility	8,655,880	7,785,190
Total Assessed Value	\$707,806,050	\$705,070,100

Cuyahoga County collects property taxes on behalf of all taxing districts in the county, including the Library. The county fiscal officer periodically remits to the Library the portion of the taxes collected.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Note 7 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014 and 2013, the Library contracted with several companies for various types of insurance coverage as follows:

Insurance Coverage at December 31, 2014

Company	Type of Coverage	Amount of Coverage
Cincinnati Insurance Company	Commercial Property	\$11,829,381
	Building Contents	\$6,499,749
	Scheduled Fine Arts	\$1,796,090
	General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate
	Vehicle	\$1,000,000
	Flood	\$1,000,000
Cincinnati Insurance Company	Commercial Umbrella	\$5,000,000
Federal Insurance Co.	Errors and Omissions	\$1,000,000 per loss/ \$3,000,000 aggregate
Cincinnati Insurance Company	Commercial Crime	
	Employee Theft	\$125,000
	Forgery or Alteration	\$50,000
	Computer Fraud	\$100,000
Ohio Casualty Insurance Co.	Surety Bonds	\$125,000

Insurance Coverage at December 31, 2013

Company	Type of Coverage	Amount of Coverage
Cincinnati Insurance Company	Commercial Property	\$11,403,851
	Building Contents	\$6,550,015
	Scheduled Fine Arts	\$1,796,090
	General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate
	Vehicle	\$1,000,000
	Flood	\$1,000,000
Cincinnati Insurance Company	Commercial Umbrella	\$5,000,000
Federal Insurance Co.	Errors and Omissions	\$1,000,000 per loss/ \$3,000,000 aggregate
St. Paul Travelers	Commercial Crime	
	Employee Dishonesty	\$25,000
	Money & Securities	
	-Inside the Premises	\$10,000
-Outside the Premises	\$10,000	
Ohio Casualty Insurance Co.	Surety Bonds	\$125,000

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

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

Note 8 - Defined Benefit Pension Plan

Plan Description - The Library participates in the Ohio Public Employees Retirement System ("OPERS"). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the Member Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for members and employer contributions and currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units. Member contribution rate, as set in the Ohio Revised code, are not to exceed 10.00%. For the years ended December 31, 2014 and 2013, member and employer contribution rates were consistent across all three plans.

The Library's 2014 and 2013 contribution rate was 14.00%. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$322,347, \$321,134 and \$307,370, respectively. The full amounts have been contributed for 2014, 2013, and 2012. Contributions to the Member-Directed Plan for 2014, 2013 and 2012 were \$2,018, \$1,929 and \$1,887, respectively, made by the Library and \$1,442, \$1,378 and \$1,348, respectively, made by the plan members.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
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Note 9 - Postemployment Benefits

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014 and 2013, state and local employers contributed 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units.

Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care in 2014 for members in the Traditional and Combined Pension Plans were 2.00% during calendar year 2014. The portion allocated to health care in 2013 for members in the Traditional and Combined Pension Plans were 1.00% during the calendar year 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage. Active members do not make contributions to the post-employment health care plan.

The Library's contributions allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$46,319, \$23,067 and \$88,176, respectively; 100% has been contributed for 2014, 2013 and 2012.

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Note 10 – Debt Administration

The Library issued \$1,925,000 in Tax Anticipation Notes on March 2, 2005 in two series at rates of 3.50 % due December 31, 2010 and 5.00 % due December 1, 2014 for the purpose of constructing, installing and equipping certain improvements to the Library. Principal and interest were paid from the debt service fund. As of December 31, 2014 the Library Tax Anticipation Note was paid off.

A summary of the note transactions for the years ended December 31, 2014 and December 31, 2013 are as follows:

	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>2013 Additions</u>	<u>2013 Reductions</u>	<u>Balance December 31, 2013</u>
<u>Governmental Activities</u>					
<u>Tax Anticipation Note</u>					
2005 Note R-2	5.00%	<u>\$450,000</u>	\$ -	(220,000)	<u>\$230,000</u>
Total 2005 Note		<u>\$450,000</u>	<u>\$ -</u>	<u>(220,000)</u>	<u>\$230,000</u>
	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>2014 Additions</u>	<u>2014 Reductions</u>	<u>Balance December 31, 2014</u>
<u>Governmental Activities</u>					
<u>Tax Anticipation Note</u>					
2005 Note R-2	5.00%	<u>\$230,000</u>	\$ -	(230,000)	<u>\$0</u>
Total 2005 Note		<u>\$230,000</u>	<u>\$ -</u>	<u>(230,000)</u>	<u>\$0</u>

Note 11 – Fund Balances

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

**Rocky River Public Library
Cuyahoga County**

*Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013*

<u>Fund Balance - December 31, 2014</u>	General	Other Governmental Funds	Total Governmental Funds
Restricted for			
Search Ohio Project	\$ -	\$ 312	\$ 312
Cowan Pottery Purchases	-	3,535	3,535
Total Restricted	-	3,847	3,847
Committed to			
Capital Fund Purposes	-	38,893	38,893
Permanent Fund Purposes	-	429,328	429,328
Total Committed	-	468,221	468,221
Assigned to:			
General Fund Purposes	85,340	-	85,340
Capital Purchases	-	128,504	128,504
Total Assigned	85,340	128,504	213,844
Unassigned	5,068,153	-	5,068,153
 Total Fund Cash Balances	 \$ 5,153,493	 \$ 600,572	 \$ 5,754,065

<u>Fund Balance - December 31, 2013</u>	General	Other Governmental Funds	Total Governmental Funds
Restricted for			
Search Ohio Project	\$ -	\$ 1,775	\$ 1,775
Cowan Pottery Purchases	-	3,485	3,485
Total Restricted	-	5,260	5,260
Committed to			
Capital Fund Purposes	-	18,287	18,287
Permanent Fund Purposes	-	446,404	446,404
Total Committed	-	464,691	464,691
Assigned to:			
General Fund Purposes	105,368	-	105,368
Subsequent Year Appropriation	11,884	-	11,884
Capital Purchases	-	247,882	247,882
Total Assigned	117,252	247,882	365,134
Unassigned	5,057,048	-	5,057,048
 Total Fund Cash Balances	 \$ 5,174,300	 \$ 717,833	 \$ 5,892,133

Rocky River Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and December 31, 2013

Note 12 – Interfund Transfers

The General Fund transferred \$88,000 to the Capital Projects Fund in 2014 and \$93,337 to the Capital Projects Fund in 2013. Transfers were made to set aside funds for routine capital improvements to the Library and for various technological improvements and acquisitions.

Note 13 – Related Organizations

The Library does not have any related organizations for which it is accountable.

The Library has the following affiliate organizations for which it is not accountable; Friends of the Rocky River Public Library, Women’s Committee of the Rocky River Public Library and the Rocky River Public Library Foundation which are discussed in Note 1 above.



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Rocky River Public Library
Cuyahoga County
1600 Hampton Road
Rocky River, Ohio 44116

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Controller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Rocky River Public Library as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Rocky River Public Library's basic financial statements and have issued our report thereon dated April 29, 2015, wherein we noted the Rocky River Public Library uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Rocky River Public 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 Rocky River Public 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 Rocky River Public 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.

Board of Trustees
Rocky River Public Library

Compliance and Other Matters

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

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

Julian & Grube, Inc.
April 29, 2015

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Dave Yost • Auditor of State

ROCKY RIVER PUBLIC LIBRARY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 23, 2015**