
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

CARROLL COUNTY DISTRICT LIBRARY

A&A
CARROLL COUNTY
REGULAR AUDIT

FOR THE YEARS ENDED

December 31, 2015 - 2014

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Dave Yost • Auditor of State

Board of Trustees
Carroll County District Library
70 Second Street NE
Carrollton, Ohio 44615

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Carroll County District 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 20, 2016

**Carroll County District Library
Carroll County**

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Carroll County District Library
Carroll County
70 Second Street NE
Carrollton, Ohio 44615

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Carroll County District Library, Carroll County, Ohio (the Library), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Carroll County District Library, Carroll County, Ohio, as of December 31, 2015 and 2014, and the respective changes in cash financial position and the budgetary comparison for the General Fund, thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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


Other Matters

Supplemental and Other Information

We applied no procedures to Management's Discussion & Analysis, as presented on pages 3-8 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 21, 2016 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

**Alger &
Associates, Inc.**  Digitally signed by Alger &
Associates, Inc.
DN: cn=Alger & Associates, Inc.,
o=Alger & Associates, Inc., ou,
email=galger53@att.net, c=US
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Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio
April 21, 2016

Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

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

Highlights

Key highlights for 2015 and 2014 are as follows:

- In 2015, net position of the governmental activities decreased \$175,809 or 31.4 percent. In 2014, net position decreased \$48,859 or 8.8 percent.
- The Library's general receipts are primarily from the Public Library Fund (PLF). These receipts represent 90.9 percent of the total cash received for library activities during 2015 and 82.7 percent for 2014. PLF receipts increased in 2015 by \$58,128 compared to 2014 and decreased by \$10,781 in 2014 compared to 2013.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34 and Statement No. 63, 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 funds with the largest balances or most activity in separate columns.

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

Basis of Accounting

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

Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

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

Reporting the Library as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2015 and 2014, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances of the governmental activities of the Library at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and 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. 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.

In the Statement of Net Position and the Statement of Activities, the Library reports Governmental activities.

Governmental activities - All of the Library's basic services are reported here. The Public Library Fund finances most of these activities. All of the Library's basic services are reported here, including library services, support services, and capital outlay. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

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 funds are considered governmental.

Governmental Funds - All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental fund is presented on the financial statements in separate column. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Library's only major governmental fund in 2015 and 2014 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.

Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2015 compared to 2014 and 2014 a compared to 2013 on a cash basis:

(Table 1)

Net Position

	Governmental Activities		
	2015	2014	2013
Assets			
Cash and Cash Equivalents	\$383,550	\$559,359	\$608,218
Net Position			
Restricted for:			
Other Purposes	\$207	\$10,986	\$32,315
Unrestricted	383,343	548,373	575,903
Total Net Position	\$383,550	\$559,359	\$608,218

As mentioned previously, net position of the governmental activities decreased \$175,809 or 31.4 percent during 2015. In 2014, net position decreased \$48,859 or 8.8 percent. Approximately, 25 percent of the decrease in net position in 2015 can be attributed to a large purchase of specialty vehicles.

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Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

Table 2 reflects the changes in net position on a cash basis for the year ended December 31, 2015, December 31, 2014, and December 31, 2013 for governmental activities.

(Table 2)

Changes in Net Position

	Governmental Activities		
	2015	2014	2013
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$30,902	\$31,217	\$33,164
Operating Grants and Contributions	0	156	74
Total Program Receipts	<u>\$30,902</u>	<u>\$31,373</u>	<u>\$33,238</u>
General Receipts:			
Public Library Fund	\$608,177	\$550,049	\$560,830
Unrestricted Gifts and Contributions	23,885	51,342	21,627
Interest	724	850	366
Miscellaneous	35,341	31,464	7,566
Total General Receipts	<u>668,127</u>	<u>633,705</u>	<u>590,389</u>
Total Receipts	<u>699,029</u>	<u>665,078</u>	<u>623,627</u>
Disbursements:			
Library Services	864,203	693,157	638,465
Capital Outlay	10,635	6,476	11,155
Other	0	14,304	8,658
Total Disbursements	<u>874,838</u>	<u>713,937</u>	<u>658,278</u>
Increase (Decrease) in Net Position	(175,809)	(48,859)	(34,651)
Net Position, January 1	<u>559,359</u>	<u>608,218</u>	<u>642,869</u>
Net Position, December 31	<u>\$383,550</u>	<u>\$559,359</u>	<u>\$608,218</u>

Program receipts represent only 4.4 percent and 4.7 percent of total receipts for years 2015 and 2014, respectively. Program receipts for the years 2015 and 2014 are primarily comprised of patron fines and fees and services provided to other entities and contributions. General receipts represent 95.6 percent and 95.3 percent of the Library's total receipts for the year 2015 and 2014 respectively. PLF makes up the majority of the Library's receipts, 87.0 percent for the year 2015 and 82.7 percent for the year 2014.

Disbursements for library services represent the cost of running the Library. The largest areas of expenditures include payroll and library materials and supplies.

Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

Governmental Activities

Statement of Activities on page 10 and 15 for the years 2015 and 2014, respectively, shows the cost of program services and the changes for services, operating grants and contributions offsetting those services. The first column lists the major services provided by the Library. The net cost of services identifies the cost of those services supported by Library's general receipts. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities				
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2015	2015	2014	2014
Library Services	\$864,203	\$833,301	\$693,157	\$661,784
Capital Outlay	10,635	10,635	6,476	6,476
Other	0	0	14,304	14,304
Total Expenses	\$874,838	\$843,936	\$713,937	\$682,564

The Library's Funds

The Library's governmental fund financial statements are accounted for using the cash basis of accounting. The General Fund is the Library's major governmental fund. For the year 2015, total governmental funds had receipts, excluding other financing sources, of \$699,029 and disbursements, excluding other financing uses, of \$874,838. For 2014, the total governmental funds had receipts of \$665,078 and disbursements, excluding other financing uses, of \$699,633.

In comparison, during 2015, the General Fund disbursements were more than receipts by \$165,030 and in 2014 disbursements were more than receipts by \$17,361 excluding other financing uses.

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.

Final disbursements for 2015 were budgeted at \$1,063,200 while actual disbursements plus encumbrances were \$887,540.

Final disbursements for 2014 were budgeted at \$1,112,753 while actual disbursements plus encumbrances were \$714,028.

Carroll County District Library
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
Unaudited

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. We rely heavily on the state funding and that is unpredictable and unstable.

The Library continues to explore new technology solutions for staff and patrons and improve telecommunications. We strive to better serve the public by being fiscally responsible with the available funds we have.

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 Bianca Love, Fiscal Officer, 70 Second Street NE., Carrollton, Ohio 44615.

Carroll County District Library
Statement of Net Position - Cash Basis
December 31, 2015

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 383,550
	<hr/>
<i>Total Assets</i>	<u>\$ 383,550</u>
Net Position	
Restricted for:	
Other Purposes	\$ 207
Unrestricted	<u>383,343</u>
<i>Total Net Position</i>	<u>\$ 383,550</u>

See accompanying notes to the basic financial statements

Carroll County District Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2015

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
Current:					
Library Services:	\$ 864,203	\$ 30,902	\$ -	\$ -	\$ (833,301)
Capital Outlay	10,635	-	-	-	\$ (10,635)
<i>Total Governmental Activities</i>	\$ 874,838	\$ 30,902	\$ -	\$ -	\$ (843,936)

General Receipts:

Unrestricted Gifts and Contributions	23,885
Government Grants-in-Aid, PLF	608,177
Earnings on Investments	724
Miscellaneous	35,341
	668,127

General Receipts:

Change in Net Position	(175,809)
<i>Net Position Beginning of Year</i>	559,359
<i>Net Position End of Year</i>	\$ 383,550

See accompanying notes to the basic financial statements

Carroll County District Library
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 383,343	\$ 207	\$ 383,550
<i>Total Assets</i>	<u>\$ 383,343</u>	<u>\$ 207</u>	<u>\$ 383,550</u>
Fund Balances			
Restricted	\$ -	\$ 207	\$ 207
Unassigned (Deficit)	383,343	-	383,343
<i>Total Fund Balances</i>	<u>\$ 383,343</u>	<u>\$ 207</u>	<u>\$ 383,550</u>

See accompanying notes to the basic financial statements

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

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Public Library	\$ 608,177	\$ -	\$ 608,177
Patron Fines and Fees	30,902	-	30,902
Contributions, Gifts and Donations	23,885	-	23,885
Earnings on Investments	724	-	724
Miscellaneous	35,341	-	35,341
<i>Total Receipts</i>	<u>699,029</u>	<u>-</u>	<u>699,029</u>
Disbursements			
Current:			
Library Services:	864,059	144	864,203
Public Services and Programs	-	-	-
Capital Outlay	-	10,635	10,635
<i>Total Disbursements</i>	<u>864,059</u>	<u>10,779</u>	<u>874,838</u>
<i>Net Change in Fund Balances</i>	(165,030)	(10,779)	(175,809)
<i>Fund Balances Beginning of Year</i>	<u>548,373</u>	<u>10,986</u>	<u>559,359</u>
<i>Fund Balances End of Year</i>	<u>\$ 383,343</u>	<u>\$ 207</u>	<u>\$ 383,550</u>

See accompanying notes to the basic financial statements

Carroll County District Library
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$ 524,999	\$ 524,999	\$ 608,177	\$ 83,178
Patron Fines and Fees	20,000	20,000	30,902	10,902
Contributions, Gifts and Donations	200	200	23,885	23,685
Earnings on Investments	500	500	724	224
Miscellaneous	150	150	35,341	35,191
<i>Total Receipts</i>	545,849	545,849	699,029	153,180
Disbursements				
Current:				
Library Services:	1,048,200	1,058,200	887,540	170,660
Capital Outlay	5,000	5,000	-	5,000
<i>Total Disbursements</i>	1,053,200	1,063,200	887,540	175,660
<i>Excess of Receipts Over (Under) Disbursements</i>	(507,351)	(517,351)	(188,511)	328,840
Other Financing Sources (Uses)				
Transfers Out	(10,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	(10,000)	-	-	-
<i>Net Change in Fund Balance</i>	(517,351)	(517,351)	(188,511)	328,840
<i>Unencumbered Fund Balance Beginning of Year</i>	523,453	523,453	523,453	-
Prior Year Encumbrances Appropriated	24,919	24,919	24,919	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 31,021	\$ 31,021	\$ 359,861	\$ 328,840

See accompanying notes to the basic financial statements

Carroll County District Library
Statement of Net Position - Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 559,359
<i>Total Assets</i>	<u>\$ 559,359</u>
Net Position	
Restricted for:	
Other Purposes	\$ 10,986
Unrestricted	<u>548,373</u>
<i>Total Net Position</i>	<u>\$ 559,359</u>

See accompanying notes to the basic financial statements

Carroll County District Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Library Services:	\$ 693,157	\$ 31,217	\$ 156	\$ -	\$ (661,784)
Capital Outlay	6,476	-	-	-	(6,476)
Other	14,304	-	-	-	(14,304)
<i>Total Governmental Activities</i>	\$ 713,937	\$ 31,217	\$ 156	\$ -	\$ (682,564)
		General Receipts:			
					51,342
					550,049
					850
					31,464
					633,705
					(48,859)
					608,218
					\$ 559,359

See accompanying notes to the basic financial statements

Carroll County District Library
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	\$ 548,373	\$ 10,986	\$ 559,359
<i>Total Assets</i>	<u>\$ 548,373</u>	<u>\$ 10,986</u>	<u>\$ 559,359</u>
Fund Balances			
Restricted	\$ -	\$ 10,986	\$ 10,986
Unassigned	548,373	-	548,373
<i>Total Fund Balances</i>	<u>\$ 548,373</u>	<u>\$ 10,986</u>	<u>\$ 559,359</u>

See accompanying notes to the basic financial statements

Carroll County District Library
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			
Public Library	\$ 550,049	\$ -	\$ 550,049
Intergovernmental	156	-	156
Patron Fines and Fees	31,217	-	31,217
Contributions, Gifts and Donations	47,842	3,500	51,342
Earnings on Investments	850	-	850
Miscellaneous	31,464	-	31,464
<i>Total Receipts</i>	<u>661,578</u>	<u>3,500</u>	<u>665,078</u>
Disbursements			
Current:			
Library Services:	673,708	19,449	693,157
Capital Outlay	5,231	1,245	6,476
<i>Total Disbursements</i>	<u>678,939</u>	<u>20,694</u>	<u>699,633</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(17,361)</u>	<u>(17,194)</u>	<u>(34,555)</u>
Other Financing Sources (Uses)			
Other Financing Uses	(10,169)	(4,135)	(14,304)
<i>Total Other Financing Sources (Uses)</i>	<u>(10,169)</u>	<u>(4,135)</u>	<u>(14,304)</u>
<i>Net Change in Fund Balances</i>	(27,530)	(21,329)	(48,859)
<i>Fund Balances Beginning of Year</i>	<u>575,903</u>	<u>32,315</u>	<u>608,218</u>
<i>Fund Balances End of Year</i>	<u>\$ 548,373</u>	<u>\$ 10,986</u>	<u>\$ 559,359</u>

See accompanying notes to the basic financial statements

Carroll County District Library
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$ 515,000	\$ 515,000	\$ 550,049	\$ 35,049
Intergovernmental	-	-	156	156
Patron Fines and Fees	21,000	21,000	31,217	10,217
Contributions, Gifts and Donations	200	200	47,842	47,642
Earnings on Investments	500	500	850	350
Miscellaneous	150	150	31,464	31,314
<i>Total Receipts</i>	536,850	536,850	661,578	124,728
Disbursements				
Current:				
Library Services:	891,077	928,077	698,628	229,449
Capital Outlay	169,045	132,045	5,231	126,814
<i>Total Disbursements</i>	1,060,122	1,060,122	703,859	356,263
<i>Excess of Receipts Over (Under) Disbursements</i>	(523,272)	(523,272)	(42,281)	480,991
Other Financing Sources (Uses)				
Other Financing Uses	(52,631)	(52,631)	(10,169)	42,462
<i>Total Other Financing Sources (Uses)</i>	(52,631)	(52,631)	(10,169)	42,462
<i>Net Change in Fund Balance</i>	(575,903)	(575,903)	(52,450)	523,453
<i>Unencumbered Fund Balance Beginning of Year</i>	572,181	572,181	572,181	-
Prior Year Encumbrances Appropriated	3,722	3,722	3,722	-
<i>Unencumbered Fund Balance End of Year</i>	\$ -	\$ -	\$ 523,453	\$ 523,453

See accompanying notes to the basic financial statements

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 1 – Description of the Library and Reporting Entity

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

The Library is fiscally independent of the county, although the Carroll County Commissioners serves as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Carroll County Commissioners 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 county.

Under the provisions of Statement No. 14, as amended by No. 39 and Statement No. 61 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the county.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board; and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. The Library has no component units.

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

Note 2 - Summary of Significant Accounting Policies

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

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

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 statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the cash balances, of the governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function activity is self-financing on a cash basis or draws from the Library's general receipts.

Fund Financial Statement

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 (and enterprise) fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Fund Accounting

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

Governmental Funds Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The Library's major governmental funds for 2015 and 2014 are the General Fund. The General Fund account 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 grants and other resources whose use is restricted to a particular purpose.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

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 expenses and liabilities) are not recorded in these financial statements.

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 Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the 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 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 Trustees during the year.

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."

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

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 (contra revenue), respectively.

During 2015 and 2014, investments were limited to a money market savings account and non-negotiable certificates of deposits. Except for the money market savings account these investments are recorded at cost.

The Library's money market fund investment is recorded at amounts reported by PNC Bank.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipt credited to the general fund during 2015 amounted to \$724 and \$850 in 2014.

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.

Capital Assets

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

Fund Balance

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

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

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance – (Continued)

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

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

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

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

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

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 modified cash basis of accounting.

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 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an inter-fund receivable or payable (cash basis)). The General Fund encumbrances outstanding at year end (budgetary basis) amounted to \$24,919 and \$3,722 for the years ended December 31, 2014 and 2015, respectively.

Note 4 - Deposits and Investments

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

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

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

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

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 4 - Deposits and Investments – (Continued)

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

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

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

Investments may only be made through specified dealers and institutions. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk/treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$200 in undeposited cash on hand for 2015 and 2014, respectively, which is included as part of "Cash" or "Equity in Pooled Cash and Cash Equivalents" (choose the appropriate account) on the financial statements.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 4 - Deposits and Investments – (Continued)

Deposits

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

At December 31, 2015, 100% of the Library’s bank balance in the amount of \$383,550 was insured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Library’s name.

At December 31, 2014, \$141,471 of the Library’s bank balance of \$578,071 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Library’s name.

Investments

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

	Fair Value 12/31.2015	Fair Value 12/31.2014	Maturity
Money Market Mutual Fund	\$351,443	\$285,720	Less than 1 Year
CDRS	0	200,000	Less than 1 Year
Total Portfolio	\$351,443	\$485,720	

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring 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 the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 4 - Deposits and Investments – (Continued)

Custodial Credit Risk 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 Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Notes are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Library’s name. 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 5 - 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. For the years ended December 31, 2015 and 2014, the Library contracted with several companies for various types of insurance coverage as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
McFadden Insurance Company	Bond Insurance	\$40,000.00
France & Associates	Errors and Omissions	1,500,000.00
	Comprehensive Property and General Liability	1,500,000.00

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

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

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 6 - 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 percent 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy 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 Ohio Revised Code provides statutory authority for member and employer contributions. For 2015 and 2014, member and employer contribution rates were consistent across all three plans. Member contribution rates, as set forth in the Ohio Revised Code, were 10 percent of covered payroll. The Library’s contributions rate for 2015 and 2014 was 14 percent of covered payroll.

The Library’s 2015 required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2015 and 2014 were \$48,451 and \$48,409, respectively. The full amount has been contributed for both 2015 and 2014.

Note 7- Post-employment Benefits

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension 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 post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 7- Post-employment Benefits – (Continued)

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years 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 its 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 presented 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 post-employment health care plan was established under, and is administrated 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 OPERS 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 members. In 2015 and 2014, state and local employers contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent 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 post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2 percent during calendar year 2015 and 2014, as recommended by the OPERS Actuary.

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

The Library’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015 and 2014 were \$6,938 and \$6,915, respectively; 100 percent has been contributed for both years.

Note 8 – Other Employee Benefits

Compensated Absences

All full time employees earn vacation by payroll period at different rates which are affected by length of service. One full year of vacation may be carried forward to a maximum of two years worth of vacation. Accrued vacation leave is paid upon retirement, termination, or death of an employee.

Sick leave is also earned by payroll period and can be accumulated up to 480 hours.

Carroll County District Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015 and 2014

Note 8 – Other Employee Benefits – (Continued)

Insurance

The Library provides Medical insurance to employees on a paid premium basis. Employees pay a portion of the premium which is taken from their pay on a bi-weekly basis. During 2015 and 2014, the Library was still enrolled in a high deductible health plan and also enrolled in health savings accounts. The Library deposited \$700 into each enrolled employees health savings account. Other insurance is available through AFLAC.

Note 9 Leases

The Library leases copiers from Graphic Ent, Comdoc and Konica Minolta Premier. The Library disbursed \$15,174 and \$14,669 in 2015 and 2014, respectively.

Note 10 – Public Entity Risk Pool

The Library participates in group rating for Bureau of Worker’s Compensation. This is handled through the administration of Frank Gates.

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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

2015	Other Governmental		
Fund Balances	General	Funds	Total
Restricted for			
Preston Designated Spending	\$0	\$96	\$96
Capital Improvements	0	111	111
<i>Total Restricted</i>	0	207	207
Unassigned (Deficit)	383,343	0	383,343
<i>Total Fund Balances</i>	\$383,343	\$207	\$383,550
2014	Other Governmental		
Fund Balances	General	Funds	Total
Restricted for			
Preston Designated Spending	\$0	\$1,890	\$1,890
Capital Improvements	0	9,096	9,096
<i>Total Restricted</i>	0	10,986	10,986
Unassigned (Deficit)	548,373	0	548,373
<i>Total Fund Balances</i>	\$548,373	\$10,986	\$559,359



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Carroll County District Library
Carroll County
70 Second Street NE
Carrollton, Ohio 44615

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Carroll County District Library, Carroll County, (the Library) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated April 21, 2016, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

**Alger &
Associates,
Inc.**

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Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio
April 21, 2016



Dave Yost • Auditor of State

CARROLL COUNTY DISTRICT LIBRARY

CARROLL 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 30, 2016**