

Happy Public Library
 OCBOA
 12/31/2015

Interest Calculation for Note Disclosure - Note #2

	<u>General</u>	<u>All Funds</u>	<u>All Funds, Net of Funds Rec Interest</u>	<u>General Fund Percentage</u>
December	3,144,786	3,281,227	3,281,227	95.84%

Average %	95.84%
General Fund Interest	\$ 16,102 From Statement of Activities
General Fund According to %	15,432
Other Funds According to %	\$ 670

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Happy Public Library
Silly County, Ohio
ORIGINAL Amended Certificate
January 1, 2015

Fund	Unencumbered Balance January 1, 2015	General Property Tax	Other Sources	Total
1000 General	3,006,860.70	150,025.00	965,000.00	4,121,885.70
SPECIAL REVENUE FUNDS				
2001 Technology	69,742.86	0.00	0.00	69,742.86
2901 Childrens Programs	9,170.27	0.00	15,000.00	24,170.27
CAPITAL PROJECTS				
4001 Building and Repairs	57,527.92	0.00	0.00	57,527.92
Totals	3,143,301.75	150,025.00	980,000.00	4,273,326.75

DETAIL OF AMOUNTS - GENERAL FUND

1000-121-0000	General Property Taxes	150,025.00	
1000-240-0000	Public Library Fund		915,000.00
1000-292-0000	Restricted Other Grants-In-Aid		
1000-310-0000	Partron Fines and Lost Item Income		35,000.00
1000-659-0000	Other - Unrestricted Contributions, Gifts and Donations		5,000.00
1000-701-0000	Interest or Dividends on Investments		10,000.00
1000-879-0000	Other - Refunds and Reimbursements		-
	TOTAL	150,025.00	965,000.00

Happy Public Library
Silly County, Ohio
FINAL Amended Certificate
December 29, 2015

Fund	Unencumbered Balance January 1, 2015	General Property Tax	Other Sources	Total
1000 General	3,006,860.70	150,025.00	987,850.00	4,144,735.70
SPECIAL REVENUE FUNDS				
2001 Technology	69,742.86	0.00	0.00	69,742.86
2901 Childrens Programs	9,170.27	0.00	25,000.00	34,170.27
CAPITAL PROJECTS				
4001 Building and Repairs	57,527.92	0.00	0.00	57,527.92
Totals	3,143,301.75	150,025.00	1,012,850.00	4,306,176.75

DETAIL OF AMOUNTS - GENERAL FUND

1000-121-0000	General Property Taxes	150,025.00	
1000-240-0000	Public Library Fund		921,250.00
1000-292-0000	Restricted Other Grants-In-Aid		
1000-310-0000	Partron Fines and Lost Item Income		45,000.00
1000-659-0000	Other - Unrestricted Contributions, Gifts and Donations		5,000.00
1000-701-0000	Interest or Dividends on Investments		15,600.00
1000-879-0000	Other - Refunds and Reimbursements		1,000.00
	TOTAL	150,025.00	987,850.00

Happy Public Library Permanent Appropriations

ANNUAL APPROPRIATION

RESOLUTION

BOARD OF TRUSTEES

OF

Happy Public LIBRARY

Silly County, Ohio.

Passed January 15TH, 2015

For the Fiscal Year Ending
December 31st, 2015

Filed January 29, 2015

County Auditor

By _____
Deputy

ANNUAL APPROPRIATION RESOLUTION

The *Board of Trustees of* **Happy Public** Library, in **Silly** County

Ohio met in regular session on the 15th day of January, 2015, at the office

Of the Main Library in **Silly County** with the following members present:

moved the adoption of the following Resolution:

BE IT RESOLVED by the *Board of Trustees* of The **Happy Public** Library,

Silly County Ohio that to provide for the current expenses and

Other expenditures of said Board of **Happy Public** Library, during the fiscal year,

Ending *December 31, 2015*

The following sums be and the same are hereby set aside and *appropriated* for the several purposes

For which expenditures are to be made for and during said fiscal year, as follows.

**HAPPY PUBLIC LIBRARY
SILLY COUNTY**

PERMANENT APPROPRIATIONS 2015

GENERAL FUND EXPENDITURES:

1000-100	110-0000	Salaries and Leave Benefits	\$630,000.00
1000-100	211-0000	OPERS	\$88,200.00
1000-100	213-0000	Medicare	\$9,135.00
1000-100	221-0000	Hospitalization	\$70,000.00
1000-100	225-0000	Workers' Compensation	\$3,000.00
TOTAL EMPLOYEE			<u>\$800,335.00</u>
1000-100	311-0000	Dues and Fees	\$2,000.00
1000-100	321-0000	Telephone	\$25,000.00
1000-100	329-0000	Other Communications, Print/Pub	\$12,000.00
1000-100	331-0000	Maintenance and Repairs - Facilities	\$68,500.00
1000-100	332-0000	Maintenance and Repairs - Equipment	\$1,500.00
1000-100	339-0000	Other Property, Maintenance	\$4,000.00
1000-100	349-0000	Insurance	\$13,000.00
1000-100	369-0000	Utilities	\$66,000.00
1000-100	372-0000	Uniform Accounting Network	\$4,000.00
1000-100	380-0000	Library Material Control Services	\$4,000.00
1000-100	390-0000	Other Contract / Purchased Services	\$34,657.66
TOTAL PURCHASED SERVICES			<u>\$234,657.66</u>
1000-100	411-0000	Books and Pamphlets	\$105,000.00
1000-100	412-0000	Periodicals	\$12,500.00
1000-100	413-0000	Audiovisual Materials	\$38,500.00
1000-100	414-0000	Computer Services	\$1,700.00
1000-100	415-0000	Inter Library Loan Fees	\$30,000.00
1000-100	459-0000	Other Supplies	\$23,000.00
TOTAL LIBRARY MATERIALS			<u>\$210,700.00</u>

1000-100	510-0000	Dues and Memberships	\$4,000.00
1000-100	520-0000	Taxes and Assessments	\$1,500.00
1000-100	590-0000	Other Miscellaneous Expenses	\$500.00
TOTAL DUES, ASSESSMENTS and OTHER			<u>\$6,000.00</u>
1000-760	750-0000	Furniture and Equipment	\$3,000.00
1000-760	790-0000	Other Capital Outlay / Computer	\$30,000.00
TOTAL CAPITAL EXPENDITURES			<u>\$33,000.00</u>
1000-800	810-0000	Principal Payments	\$24,577.00
1000-800	820-0000	Interest Payments	\$3,914.00
TOTAL DEBT SERVICE EXPENDITURES			<u>\$28,491.00</u>
1000-930	930-0000	Contingency (3.00% of Total)	<u>\$38,446.05</u>
TOTAL GENERAL FUND EXPENDITURES			<u>\$1,351,629.71</u>
2001-110	790-0000	Other - Capital Outlay	\$69,742.86
2901-110	411-0000	Books and Pamphlets	\$25,000.00
TOTAL SPECIAL REVENUE FUND EXPENDITURES			<u>\$94,742.86</u>
4001-760	730-0001	Buildings	\$57,527.92
TOTAL CAPITAL PROJECT FUND EXPENDITURES			<u>\$57,527.92</u>
TOTAL AMOUNT OF ALL APPROPRIATIONS			<u><u>\$1,503,900.49</u></u>

HAPPY PUBLIC LIBRARY, SILLY COUNTY
CASH SUMMARY by FUND
Year 2015

Fund #	Fund Name	Fund Balance 1/1/2015	Fund Balance Adjustment	Revenue (excluding transfers and advances in)	Transfers in	Advances in	Total Fund & Adjustments and Revenue	Expenditures (excluding transfers and advances out)	Transfers Out	Advances Out	Fund Balance 12/31/2015	Non-Pooled Balance	Pooled Balance
1000	General	\$3,006,860.70	\$0.00	\$1,264,057.22	\$0.00	\$0.00	\$4,270,917.92	\$1,126,132.12	\$0.00	\$0.00	\$3,144,785.80	\$0.00	\$3,144,785.80
2001	Special Revenue - Technology	\$69,742.86	\$0.00	\$0.00	\$0.00	\$0.00	\$69,742.86	\$0.00	\$0.00	\$0.00	\$69,742.86	\$0.00	\$69,742.86
2901	Special Revenue - Childrens Program	\$9,170.27	\$0.00	\$25,000.00	\$0.00	\$0.00	\$34,170.27	\$25,000.00	\$0.00	\$0.00	\$9,170.27	\$0.00	\$9,170.27
4001	Capital Projects - Building and Repair	\$57,527.92	\$0.00	\$0.00	\$0.00	\$0.00	\$57,527.92	\$0.00	\$0.00	\$0.00	\$57,527.92	\$0.00	\$57,527.92
Report Total:		\$3,143,301.75	\$0.00	\$1,289,057.22	\$0.00	\$0.00	\$4,432,358.97	\$1,151,132.12	\$0.00	\$0.00	\$3,281,226.85	\$0.00	\$3,281,226.85

HAPPY PUBLIC LIBRARY, SILLY COUNTY
 Revenue Status
 by Fund
 As of 12/31/2015

Fund: 1000 General		Account Name	Final Budget	Revenue	Budget Balance	YTD% Received
Account Code						
1000-121-0000		General Property Taxes	\$150,025.00	\$278,502.21	(\$128,477.21)	185.637%
1000-240-0000		Public Library Fund	\$921,250.00	\$921,250.00	\$0.00	100.000%
1000-292-0000		Restricted Other Grants-In-Aid	\$0.00	\$0.00	\$0.00	0.000%
1000-310-0000		Patron Fines and Lost Item Income	\$45,000.00	\$34,507.65	\$10,492.35	76.684%
1000-659-0000		Other - Unrestricted Contributions, Gifts and Donations	\$5,000.00	\$10,232.30	(\$5,232.30)	204.646%
1000-701-0000		Interest or Dividends on Investments	\$15,600.00	\$16,101.79	(\$501.79)	103.217%
1000-879-0000		Other - Refunds and Reimbursements	\$1,000.00	\$3,463.27	(\$2,463.27)	346.327%
Fund 1000 Sub-Total:			\$1,137,875.00	\$1,264,057.22	(\$126,182.22)	111.089%

Fund: 2901		Account Name	Final Budget	Revenue	Budget Balance	YTD% Received
Account Code						
2901-292-0000		Restricted Other Grants-In-Aid	\$25,000.00	\$25,000.00	\$0.00	100.000%
2901-931-0000		Transfers - In	\$0.00	\$0.00	\$0.00	0.000%
Fund 2901 Sub-Total:			\$25,000.00	\$25,000.00	\$0.00	100.000%

Fund: 4001		Account Name	Final Budget	Revenue	Budget Balance	YTD% Received
Account Code						
4001-651-0000		Unrestricted Contributions - Individuals	\$0.00	\$0.00	\$0.00	0.000%
4001-931-0000		Transfers - In	\$0.00	\$0.00	\$0.00	0.000%
Fund 4001 Sub-Total:			\$0.00	\$0.00	\$0.00	0.000%
Report Total:			\$1,162,875.00	\$1,289,057.22	(\$126,182.22)	110.851%

Appropriation Status
HAPPY PUBLIC LIBRARY, SILLY COUNTY
As Of 12/31/2015

Account Code	Account Name	Reserved for Encumbrance 12/31	Reserve for Encumbrance 12/31 Adjustment	Final Appropriation	Current Reserve for Encumbrance	YTD Expenditures	Unencumbered Balance	YTD % Expenditures
General Fund								
1000-100-110-1000	Salaries	\$0.00	\$0.00	\$360,000.00	\$0.00	\$328,058.69	\$31,941.31	91.127%
1000-100-110-2000	Salaries	\$0.00	\$0.00	\$100,000.00	\$0.00	\$95,773.40	\$4,226.60	95.773%
1000-100-110-3000	Salaries	\$0.00	\$0.00	\$80,000.00	\$0.00	\$86,719.33	\$3,280.67	96.355%
1000-100-110-4000	Salaries	\$0.00	\$0.00	\$80,000.00	\$0.00	\$75,170.78	\$4,829.22	93.963%
1000-100-211-0000	Ohio Public Employees Retirement System	\$0.00	\$0.00	\$86,200.00	\$0.00	\$85,901.25	\$4,298.75	95.126%
1000-100-213-0000	Medical	\$0.00	\$0.00	\$9,135.00	\$0.00	\$8,492.18	\$642.82	92.963%
1000-100-221-0000	Medical / Hospitalization Insurance	\$0.00	\$0.00	\$70,000.00	\$0.00	\$64,225.52	\$5,773.48	91.752%
1000-100-225-0000	Workers' Compensation	\$0.00	\$0.00	\$3,000.00	\$0.00	\$2,562.32	\$437.68	85.411%
1000-100-311-0000	Dues and Fees	\$0.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	\$0.00	100.000%
1000-100-321-1000	Telephone	\$0.00	\$0.00	\$3,500.00	\$0.00	\$1,903.31	\$1,596.69	54.380%
1000-100-321-2000	Telephone	\$0.00	\$0.00	\$8,500.00	\$0.00	\$5,169.28	\$3,330.72	60.815%
1000-100-321-3000	Telephone	\$0.00	\$0.00	\$6,500.00	\$0.00	\$4,085.30	\$2,414.70	62.851%
1000-100-321-4000	Telephone	\$0.00	\$0.00	\$6,500.00	\$0.00	\$4,013.53	\$2,486.47	61.747%
1000-100-329-0000	Other - Communications, Printing and Publicity	\$0.00	\$0.00	\$12,000.00	\$0.00	\$9,026.86	\$2,973.14	75.224%
1000-100-331-1000	Maintenance and Repair on Facilities	\$0.00	\$0.00	\$28,000.00	\$0.00	\$26,292.16	\$1,707.84	93.901%
1000-100-331-2000	Maintenance and Repair on Facilities	\$0.00	\$0.00	\$12,500.00	\$0.00	\$8,508.76	\$3,991.24	68.070%
1000-100-331-3000	Maintenance and Repair on Facilities	\$0.00	\$0.00	\$13,250.00	\$0.00	\$8,487.16	\$4,762.84	64.054%
1000-100-331-4000	Maintenance and Repair on Facilities	\$0.00	\$0.00	\$14,750.00	\$0.00	\$13,308.40	\$1,441.60	90.226%
1000-100-332-1000	Maintenance and Repair on Equipment	\$0.00	\$0.00	\$1,500.00	\$0.00	\$1,486.93	\$13.07	99.129%
1000-100-339-1000	Other - Property Maint. Repair & Security Svc	\$0.00	\$0.00	\$2,100.00	\$0.00	\$1,740.27	\$359.73	82.870%
1000-100-339-2000	Other - Property Maint. Repair & Security Svc	\$0.00	\$0.00	\$1,400.00	\$0.00	\$1,267.47	\$132.53	90.534%
1000-100-339-4000	Other - Property Maint. Repair & Security Svc	\$0.00	\$0.00	\$500.00	\$0.00	\$447.69	\$52.31	89.538%
1000-100-349-0000	Other - Insurance and Bonding	\$0.00	\$0.00	\$13,000.00	\$0.00	\$12,554.00	\$446.00	96.569%
1000-100-369-1000	Other - Utilities	\$0.00	\$0.00	\$26,000.00	\$0.00	\$20,894.54	\$5,105.46	80.364%
1000-100-369-2000	Other - Utilities	\$0.00	\$0.00	\$18,000.00	\$0.00	\$12,754.14	\$5,245.86	70.856%
1000-100-369-3000	Other - Utilities	\$0.00	\$0.00	\$12,000.00	\$0.00	\$7,248.63	\$4,751.37	60.405%
1000-100-369-4000	Other - Utilities	\$0.00	\$0.00	\$10,000.00	\$0.00	\$6,745.53	\$3,254.47	67.455%
1000-100-372-0000	Uniform Accounting Network Fees	\$0.00	\$0.00	\$4,000.00	\$0.00	\$3,354.00	\$646.00	83.850%
1000-100-380-0000	Library Material Control Services	\$0.00	\$0.00	\$4,000.00	\$0.00	\$2,318.00	\$1,682.00	57.950%
1000-100-390-0000	Other - Purchased and Contracted Services	\$0.00	\$0.00	\$34,657.66	\$0.00	\$4,428.86	\$30,228.80	12.779%
1000-100-411-0000	Books and Pamphlets	\$0.00	\$0.00	\$105,000.00	\$0.00	\$92,479.61	\$12,520.39	88.076%
1000-100-412-0000	Periodicals	\$0.00	\$0.00	\$12,500.00	\$0.00	\$10,916.90	\$1,583.10	87.335%
1000-100-413-0000	Audiovisual Materials	\$0.00	\$0.00	\$38,500.00	\$0.00	\$30,405.35	\$8,094.65	78.975%
1000-100-414-0000	Computer Services and Information	\$0.00	\$0.00	\$1,700.00	\$0.00	\$1,400.00	\$300.00	82.353%
1000-100-415-0000	Interlibrary Loan Fees / Charges	\$0.00	\$0.00	\$30,000.00	\$0.00	\$23,952.60	\$6,047.40	79.842%
1000-100-459-0000	Other - Supplies	\$0.00	\$0.00	\$23,000.00	\$0.00	\$17,610.67	\$5,389.33	76.568%
1000-100-510-0000	Dues and Memberships	\$0.00	\$0.00	\$4,000.00	\$0.00	\$4,000.00	\$0.00	100.000%
1000-100-520-0000	Taxes and Assessments	\$0.00	\$0.00	\$1,500.00	\$0.00	\$1,430.05	\$1,356.95	95.37%
1000-100-590-0000	Other - Other	\$0.00	\$0.00	\$500.00	\$0.00	\$258.90	\$241.10	51.780%
1000-760-750-0000	Furniture and Equipment	\$0.00	\$0.00	\$3,000.00	\$0.00	\$291.18	\$2,708.82	9.706%
1000-760-790-0000	Other - Capital Outlay	\$0.00	\$0.00	\$30,000.00	\$0.00	\$13,243.57	\$16,756.43	44.145%
1000-800-810-0000	Principal Payment	\$0.00	\$0.00	\$24,577.00	\$0.00	\$24,577.00	\$0.00	100.000%
1000-800-820-0000	Interest Payment	\$0.00	\$0.00	\$3,914.00	\$0.00	\$3,914.00	\$0.00	100.000%
1000-930-930-0000	Contingencies	\$0.00	\$0.00	\$38,446.05	\$0.00	\$0.00	\$38,446.05	0.000%
Total General Fund:		\$0.00	\$0.00	\$1,351,629.71	\$0.00	\$1,126,132.12	\$225,497.59	83.317%
Special Revenue - Technology								
2001-100-790-0000	Other - Capital Outlay	\$0.00	\$0.00	\$69,742.86	\$0.00	\$0.00	\$69,742.86	0.000%
Total Special Revenue - Technology Fund:		\$0.00	\$0.00	\$69,742.86	\$0.00	\$0.00	\$69,742.86	0.000%

Appropriation Status
 HAPPY PUBLIC LIBRARY, SILLY COUNTY
 As Of 12/31/2015

Account Code	Account Name	Reserved for Encumbrance 12/31	Reserved for Encumbrance 12/31 Adjustment	Final Appropriation	Current Reserve for Encumbrance	YTD Expenditures	Unencumbered Balance	YTD % Expenditures
Special Revenue - Children's Program								
2901-100-411-0000	Books and Pamphlets	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	100.0000%
Total Special Revenue - Children's Program Fund:		\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00	100.0000%
Capital Projects - Building and Repair								
4001-760-730-0001	Buildings	\$0.00	\$0.00	\$57,527.92	\$0.00	\$0.00	\$57,527.92	0.0000%
Total Capital Projects - Building and Repair Fund:		\$0.00	\$0.00	\$57,527.92	\$0.00	\$0.00	\$57,527.92	0.0000%
Report Total:		\$0.00	\$0.00	\$1,151,132.12	\$0.00	\$1,151,132.12	\$352,768.37	76.543%

Happy Public Library
Cash
12/31/2015

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Depository Balances:

Merchants National Bank Operating	3,292,643.87	A B C
TOTAL DEPOSITORY BALANCES	<u>3,292,643.87</u>	

Investments:

STAROhio Account	0.00
STARPlus Account	0.00
TOTAL INVESTMENT BALANCES	<u>0.00</u>

TOTAL TREASURY BALANCE	3,292,643.87
Less: Outstanding Checks	(11,417.02) D
Plus: Uposted Check Adjustments	0.00
Less: Uposted Receipt Adjustments	0.00
	<u>3,281,226.85</u>

Total Balance per Library's Reconciliation	3,292,643.87
Less: Outstanding Checks	(11,417.02)
	<u>3,281,226.85</u>

Variance between Library's Records & Bank Stmt's 0.00 immaterial

Demand Deposits

A	3,292,643.87
B	0.00
C	0.00
D	(11,417.02)
	<u>3,281,226.85</u>

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A Real Community Bank®
1-800-875-1993
24 hr. Time Line - 1-800-719-2265
www.merchantsnat.com

000 00001 00
ACCOUNT:
DOCUMENTS:

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1509 1.2710 EX 0.000 12 3 18

Happy Public LIBRARY

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At MNB we strive to provide REAL CUSTOMER SERVICE! When any of our employees deserve a Pat on the Back for providing you with EXTRAORDINARY Customer Service please let us know! Call 1-800-875-1993 or stop in at your local MNB location, also online at www.merchantsnat.com

SUPER NOW CHECKING ACCOUNT

Table with 4 columns: Description, Amount, Date, Amount. Rows include MINIMUM BALANCE, AVG AVAILABLE BALANCE, AVERAGE BALANCE, LAST STATEMENT 11/30/15, 7 CREDITS, 79 DEBITS, and THIS STATEMENT 12/31/15.

DEPOSITS

Table with 4 columns: REF #, DATE, AMOUNT, REF #, DATE, AMOUNT. Includes handwritten entries like 96-12-15, 7-12-23, 2-12-23.

OTHER CREDITS

Table with 3 columns: DESCRIPTION, DATE, AMOUNT. Includes INTEREST RECEIPT # 102-2015 dated 12/31 with amount 1,390.66.

CHECKS

Table with 6 columns: CHECK #, DATE, AMOUNT, CHECK #, DATE, AMOUNT, CHECK #, DATE, AMOUNT. Lists various check numbers and dates from 12/07 to 12/11.

*** CONTINUED ***

Note 5 OCBOA

Happy Library
 GASB 40
 12/31/15

12/31/15 ending
 balances from the
 bank statements

	Account Identification	Purpose	Bank Balance	FDIC	Uninsured
Bank Accounts					
Merchants National Bank	xxxx	General	3,292,644	250,000	3,042,644
Fifth Third Bank	xxxx	Health Reimbursement	0	0	0
Fifth Third Bank	xxxx	Plus Account	0	0	0
Star Plus	xxxx		0	0	0
			<u>3,292,644</u>	<u>250,000</u>	<u>3,042,644</u>

Bank Balance	3,292,644
Amount covered by FDIC	<u>250,000</u>
Amount uncollateralized and uninsured	3,042,644

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total demand
 deposit accounts
 are insured up to
 \$250,000 at each
 bank (not per
 account)

Federal Deposit Insurance Corporation

1) For each bank located within Ohio, all time & savings deposits (this includes NOW accounts and money market deposit accounts; it does not include interest-bearing demand deposit accounts) are added together and insured up to \$250,000.

2) For each bank located within Ohio, all demand deposits (this means both interest-bearing and noninterest-bearing deposits that are payable on demand) are added together and insured up to \$250,000.

Deposit Insurance for Accounts Held by Government Depositors

Section 330.15 of the FDIC's regulations (12 C.F.R. 330.15) governs the insurance coverage of public unit accounts. For deposit insurance purposes, the term "public unit" includes a state, county, municipality, or any "political subdivision" of the public unit. Under section 330.15, the "official custodian" of the funds belonging to the public unit - rather than the public unit itself - is insured as the depositor.

Permanent Rule

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits.

3) For each bank located in states other than Ohio, all types of accounts are added together and insured up to \$250,000.

As mentioned above, a political subdivision (through its official custodian) is entitled to its own insurance coverage. The term "political subdivision" is defined to include drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, and bridge or port authorities and other special districts created by state statute or compacts between the states. The term "political subdivision" also includes any subdivision or principal department of a public unit (state, county, or municipality) if the subdivision or department meets the following tests:

- The creation of the subdivision or department has been expressly authorized by the law of such public unit;
- Some functions of government have been delegated to the subdivision or department by such law; and
- The subdivision or department is empowered to exercise exclusive control over funds for its exclusive use.

The term "political subdivision" does not include subordinated or non-autonomous divisions, agencies, or boards within subdivisions or principal departments.

Again, a public unit (including a political subdivision) is insured through its official custodian. If the same individual is an official custodian for more than one public unit, he or she is separately insured for the deposits belonging to each public unit. On the other hand, two or more individuals are treated as one official custodian if action or consent by all of these individuals is required for the exercise of control over the funds of a single public unit.

An official custodian is an officer, employee, or agent of a public unit having official custody of public funds and lawfully depositing the funds in an insured institution. In order to qualify as an official custodian, a person must have plenary authority - including control - over the funds. Control of public funds includes possession as well as the authority to establish accounts in insured depository institutions and to make deposits, withdrawals and disbursements.

Deposit insurance coverage cannot be increased by dividing funds among several putative official custodians who lack plenary authority over such funds. Likewise, coverage cannot be increased by dividing funds among several accounts controlled by the same official custodian for the same public unit.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the

bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Special Rule for Public Bonds

A special rule applies to funds held by an officer, agent or employee of a public unit under a law or bond indenture that requires the funds to be set aside to discharge a debt owed to the holders of notes or bonds issued by the public unit. A deposit of such funds in an insured depository institution is insured up to \$250,000 for the beneficial interest of each bondholder. This coverage is separate from the coverage for other deposits owned by the public unit at the same institution. In order to obtain this special coverage, however, the deposit account must satisfy certain disclosure requirements applicable to deposits held by agents or fiduciaries. Specifically, the deposit account records of the insured depository institution must disclose the existence of the fiduciary relationship or the fiduciary nature of the deposit. In addition, the details of the fiduciary relationship and the interests of the bondholders must be ascertainable from the records of the depository institution or the records of the depositor maintained in good faith and in the regular course of business.

The relevant section of the FDIC's deposit insurance regulations can be found at: [12 C.F.R. 330.15](#).

If you have questions or comments about the insurance coverage of public unit accounts, contact the Federal Deposit Insurance Corporation by telephone at 1-877-ASK-FDIC or by mail at 550 17th Street, NW, Washington, DC 20429.

Last Updated 01/01/2013

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Tax Year 2014 = Collection Year 2015

I hereby certify that the valuations as set forth in this certificate are correct and in accordance with the abstract of the Duplicate of Real and Public Utility Property for tax year 2014.

	Public Utility Railroad	Agricultural	Residential	Industrial	Commercial	Mineral	Total Real Estate	Public Utility Personal	Total Taxable Value
Corporations	10,000	27,610	5,982,170	182,950	1,293,630	0	7,496,360	493,090	7,989,450
	346,739	537,030	187,259,638	35,941,026	58,295,601	8,456	282,388,489	2,813,711	285,202,200
	350,138	542,295	189,095,516	36,293,389	58,867,127	8,539	285,157,004	2,841,296	287,998,300
	353,538	547,560	190,931,395	36,645,752	59,438,652	8,622	287,925,518	2,868,882	290,794,400
	356,937	552,825	192,767,274	36,998,115	60,010,178	8,705	290,694,033	2,896,467	293,590,500
	0	0	0	0	0	0	0	0	0
Happy Public Library	339,940	526,500	183,587,880	35,236,300	57,152,550	8,290	276,951,460	2,758,540	279,610,000
Total	1,757,292	2,733,820	949,623,873	181,297,532	295,057,737	42,611	1,430,512,864	14,671,986	1,445,184,850

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Note 6 OCBOA

Happy Public Library, Ohio
Silly County
Notes to the Financial Statements
For the Year Ended December 31, 2015

Regulatory**Note 8 - Risk Management*****Commercial Insurance***

The Library has obtained commercial insurance for the following risks:

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- Comprehensive property and general liability;
- Employment practices;
- Liability of public officials
- Liability of law enforcement; and
- Vehicles.

OCBOA**Note 8 - 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 2015, the Library contracted with several companies for various types of insurance as follows:

Type of Coverage	Coverage
Scottsdale Indemnity Company	
Commercial Property	\$15,106,474
General Liability:	
Aggregate	2,000,000
Each Occurance	1,000,000
Employment Practices:	
Aggregate	2,000,000
Each Occurance	1,000,000
Public Officials Liability:	
Aggregate	2,000,000
Each Occurance	1,000,000
Law Enforcement Liability:	
Aggregate	2,000,000
Each Occurance	1,000,000
Commercial Automobile Liability	1,000,000

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

SUMMARY OF INSURANCE		Prepared: 10/5/2015		Page 1		
For Happy Public Library						
Coverage	Amount	Company	Policy No	Eff.	Exp	Premium
Commercial Application		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Property		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Policy Level Information						
TOTAL BLANKET LIMIT						
Limit 1	15,108,474					
Deductible	2,500					
Premise 001 Building 001						
BLANKET PROP -						
Coins %	100					
Valuation	R/C					
Cause of Loss	SPECIAL					
Inflation Guard %	4					
Deductible	2500					
EQUIP BRKDOWN -						
Deductible	2500					
Forms #	INCLUDED					
General Liability		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Occurrence						
GL/IncEmply Benefits						
General Aggregate	2,000,000					
Products/Completed Oper. Aggr.	2,000,000					
Personal & Advertising Injury	1,000,000					
Each Occurrence	1,000,000					
Damage to Rented Premises	500,000					
Medical Expense (Any One Person)	Excluded					
Employee Benefits	1,000,000					
Crime		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Location Building						
Forgery or Alteration	10,000					
Deductible	0					
Inside Premises						

SUMMARY OF INSURANCE		Prepared: 10/5/2015		Page 2		
For Happy Public Library						
Coverage	Amount	Company	Policy No	Eff	Exp	Premium
Crime (Continued)						
Theft of Money and Securities	20,000					
Deductible	\$0					
Outside the Premises						
Money and Securities	20,000					
Deductible	\$0					
Computer Fraud	100,000					
Deductible	1,000					
Funds Transfer Fraud	100,000					
Deductible	1,000					
Equipment Floater		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Coverage/Deductible						
CONTRACTORS EQUIPMENT \$629,584						
including in above blanket						
limit. \$1,000 Deductible						
Unscheduled Equipment						
Electronic Data Processing		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Location 001 Building 001						
Incl in Blanket Limit Above						
Equipment (HDW) Owned	67,900					
Valuation Replacement Cost						
Deductible 1,000						
Included in						
Media/Data	50,000					
(\$25k in form &						
Extra Expense	10,000					
Additional Coverages						
Business Auto		Scottsdale Indemnity Company	123456	10/07/15	10/07/16	
Liability						
CSL	1,000,000					
Any Auto						

SUMMARY OF INSURANCE

Prepared: 10/5/2015

For Happy Public Library

Coverage	Amount	Company	Policy No	Eff	Exp	Premium
Business Auto (Continued)						
Medical Payments Ea Per All Owned Autos Comprehensive Autos Specified on Schedule Collision Autos Specified on Schedule Hired Auto Physical Damage	5,000					
Comprehensive Deductible	250					
Collision Deductible	500					
* See Attached Vehicle Schedule						
General Liability Claims Made		Scottsdale Indemnity Company		10/07/15	10/07/16	
PUBLIC OFFICIAL						
General Aggregate	2,000,000					
Each Occurrence	1,000,000					
Per Claim Other Deductible Deductible	5,000					
General Liability Occurrence		Scottsdale Indemnity Company		10/07/15	10/07/16	
LAW ENFORCEMENT						
General Aggregate	2,000,000					
Each Occurrence	1,000,000					
Per Occurrence Other Deductible Deductible	2,500					
General Liability Claims Made		Scottsdale Indemnity Company		10/07/15	10/07/16	
EMP PRACTICES LIAB						
General Aggregate	2,000,000					
Each Occurrence	1,000,000					
Per Claim						

SUMMARY OF INSURANCE

Prepared: 10/5/2015

Page 4

For Happy Public Library

Coverage	Amount	Company	Policy No	Eff	Exp	Premium
General Liability (Continued)						
Other Deductible Deductible	5,000					

Happy Library
2015 OCBOA
Note Disclosure - Defined Benefit Pension Plans

Total Payroll

PERS Payroll 585,722

PERS Note:

	Payroll	x Percent	= Total
Pension	585,722	12.00%	70,287
Health Care	585,722	2.00%	11,714
Total Employer portion		14.00%	82,001

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Happy Library
Debt
12/31/2015
Amortization Table

Year Ending December 31,	<u>General Obligation Notes</u>		Total
	<u>Principal</u>	<u>Interest</u>	
2016	24,577	3,914	28,491
2017	25,314	3,177	28,491
2018	26,074	2,418	28,492
2019	26,856	1,636	28,492
2020	26,832	830	27,662
2021	-	-	-
2022			-
2023			-
2024			-
2025			-
	<u>129,653</u>	<u>11,975</u>	141,628

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Dave Yost • Auditor of State

Bulletin 2011-004

Auditor of State Bulletin

Date Issued: September 29, 2011

TO: All Fiscal Officers

FROM: Dave Yost, Ohio Auditor of State

SUBJECT: Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions

The Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions. The fund balance classifications relate to constraints placed upon the use of resources reported in governmental funds. The five classifications are nonspendable, restricted, committed, assigned and unassigned. This bulletin references specific paragraphs from GASB 54.

The GASB included supplementary information related to GASB 54 in their 2010 - 2011 Comprehensive Implementation Guide. The Implementation Guide is organized in a question and answer format. This bulletin references specific questions from the Implementation Guide.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Fund reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The change in fund balance presentation to the five classifications of fund balance in GASB 54 is not a restatement.

Fund Balance Classifications

Following are the definitions of the five fund balance classifications (these definitions are taken directly from GASB 54):

Nonspendable Fund Balance The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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, for example, inventories and prepaid amounts. (GASB 54 ¶6)

Restricted Fund Balance The restricted classification is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (i.e., State Statutes); or (b) imposed by law through constitutional provisions (City Charter) or enabling legislation. (GASB 54 ¶8)

Committed Fund Balance The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. (GASB 54 ¶10)

Assigned Fund Balance Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed (GASB 54 ¶13).

Unassigned Fund Balance Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund (GASB 54 ¶17).

Nonspendable Fund Balance

The nonspendable definition addresses two components of nonspendable fund balance – (a) not in spendable form or (b) legally or contractually required to be maintained intact. Items are considered "not in spendable form" if they are not expected to be converted to cash; examples include inventories and prepaid amounts. Long-term loans and notes receivable, as well as property acquired for resale are also considered "not in spendable form." However, if once the receivables are collected or the assets are sold the proceeds are restricted, committed, or assigned, then those amounts should be included in the appropriate fund balance classification (restricted, committed, or assigned) rather than nonspendable fund balance. The principal reported in a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. (GASB 54 ¶6)

Restricted Fund Balance

The restricted fund balance definition addresses enabling legislation. GASB 54 defines enabling legislation as follows:

Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stated in the legislation. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. (GASB 54 ¶9)

In Ohio, municipalities have the ability to enact enabling legislation (i.e., impact fees) while most other local governments (counties, townships, school districts etc.) operate solely within State statute. If legislation is passed to generate revenues for a local government under the authority of State statute, it is not enabling legislation.

Restricted fund balance constraints are externally imposed, typically by way of grant agreements, State statute, and debt covenants. Federal and State grant agreements generally include language placing constraints on the resources, thus restricting the fund balance. Constraints placed on

resources collected under the authority of State statute are identified in the respective section of the Ohio Revised Code. Debt agreements typically stipulate how the debt proceeds may be spent and what resources are to be used for repayment. These constraints are sufficient to restrict fund balance. The charts on the attached pages will assist in identifying when fund balance is restricted.

Local match requirements are bound by the constraints in the grant agreement; thus, if the grant is restricted the local match will be also. (Z.54.8) The grant agreement or State statute will specify constraints placed on interest earned on restricted resources. If the interest can be used only for the same purposes as the restricted resources, as indicated in the grant agreement or State statute, the interest will also be restricted, otherwise the interest is assigned. (Z.54.9)

ORC Section 5705.10 (H), states: "Money paid into any fund shall be used only for the purposes for which such fund is established." Therefore, all fund inflows, once recorded in a fund, are to be used for the same purpose as the specific revenue source serving as the foundation of that fund, and fund balance may be limited to one classification, the same as the foundation revenue. Thus, once the foundation revenue of a special revenue fund has been indentified and classified as restricted (or committed), other inflows into the same fund are also restricted (or committed). If the foundation revenue ceases to be collected, the same constraints continue to exist. See the special revenue fund definition section of this bulletin.

Committed Fund Balance

Committed fund balance amounts are internally imposed by the governing body. Once an amount is committed, it cannot be used for any other purpose unless the government, by taking the same type of action (resolution or ordinance), removes or changes the constraint. The difference between restricted and committed fund balance is committed fund balance constraints are imposed by the local government, separate from the authorization to raise the underlying revenue, and compliance with constraints imposed by the local government is not considered to be legally enforceable. (GASB 54 ¶11) Restricted fund balance constraints are externally imposed or are enacted through enabling legislation and are legally enforceable.

Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The type of contractual obligations that would meet the committed criteria would be a contract awarded by resolution or through the bid process authorized by resolution of the governing board. Typically, this issue will be limited to the general fund because of its residual (unassigned) fund balance classification.

While an Ohio local government may impose constraints on certain resources and change those constraints prospectively by taking the same action that originally imposed the constraints, redirecting the existing resources (the cash balance of the fund) requires compliance with State statutes for the transfers of money, specifically ORC Sections 5705.14 - 16.

Certain "Charges for Services" and "Fees" have no external constraints; instead the constraints are internally generated by the government's highest level of decision-making authority. To commit the resource, the language in the ordinance/resolution creating the constraint should identify both the revenue source and the constraint. Examples include: charges for services related to swimming pools, parking lots, recreation centers, garbage collections, and transit services. See discussion of "Charges for Services" later in this bulletin.

Assigned Fund Balance

In governmental funds other than the general fund, assigned fund balance is the default classification which represents the remaining amount that is not restricted or committed. The assigned fund balance definition addresses the government's intent. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. (GASB 54 ¶13)

The governing body's intent may be expressed by a motion, but not by formal action such as a resolution or ordinance. In other words, a formal legislative process is not needed to add, remove, or modify assigned amounts. In a School District, a board policy indicating intended use of certain fees or charges for services would be considered an assignment. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. Some governments may not have both committed and assigned fund balances, as not all governments have multiple levels of decision-making authority. (GASB 54 ¶14)

When the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. (GASB 54 ¶16 and Z.54.13) Stated differently, if appropriations (temporary or annual) exceed estimated receipts (not resources), the excess is to be assigned as it uses existing fund balance at year-end. This would be applicable to the general fund as it is the only fund with a positive unassigned fund balance.

Unassigned Fund Balance

Unassigned fund balance is the residual classification for the general fund. In governmental funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from expenditures exceeding amounts that have been restricted, committed, or assigned. If a deficit exists, there should be no amounts reported in any other fund balance classifications.

Encumbrances

Accounting for encumbrances will continue; however, reserved for encumbrances will no longer appear on the financial statements. Encumbered amounts will be included in the restricted, committed, and assigned fund balance classifications. (Z.54.27) Issuing a purchase order assigns the amount of the purchase order to a specific purpose; thus, the outstanding encumbrance amount is included in assigned fund balance, unless the purchase order relates to restricted or committed resources. (Z.54.28) If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. Encumbrances cannot further restrict or commit resources.

Stabilization Arrangements

Some governments set aside money in a rainy-day fund, specifying when and how the dollars can be spent. The criteria for the use of the resources should be specific, and the resources should not be expected to be spent routinely. "In an emergency" or to offset "anticipated revenue shortfall" are not specific enough to meet the criteria for restricted or committed. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the criteria for restricted or committed, based on the source of the constraint on their use. Stabilization arrangements that do not meet the criteria to be reported within the restricted or committed fund balance classifications should be reported as unassigned in the general fund.

In Ohio, a taxing authority of a subdivision, by resolution or ordinance, may establish reserve balance accounts to accumulate currently available resources to stabilize its budgets against cyclical changes in revenues and expenditures under ORC Section 5705.13. The criterion for using the budget stabilization is not specific enough to meet the committed criteria and it does not meet the restricted criteria as the budget stabilization is not mandated by State statute. Therefore, a budget stabilization/reserve account should be reported as unassigned in the general fund. While statute also gives the authority to have stabilization reserve accounts in other operating funds, the fund balance is reported as restricted, committed, or assigned and the reserve account does not change the fund balance classification.

Balance Sheet Presentation

On the face of the financial statements, amounts for the two components of nonspendable fund balance may be presented separately or in total. If the financial statements present the total amount, then the separate components should be disclosed in the notes. Specific purpose amounts for restricted, committed or assigned fund balance amounts may be presented on the financial statements or disclosed in the notes. (GASB 54 ¶22 and ¶25)

Required Note Disclosure

Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classification:

For committed fund balance: (1) the government's highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment. (GASB 54 ¶23)

For assigned fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which that authorization is given. (GASB 54 ¶23)

Governments should also disclose (1) whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, and (2) whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. (GASB 54 ¶23)

Significant encumbrances should be disclosed in the notes to the financial statements as part of the construction and other significant commitments note. This disclosure should include amounts for each major fund with a separate total for all non-major funds. (GASB 54 ¶24)

Governments that establish stabilization arrangements, even if they don't meet the restricted or committed criteria, should disclose: (a) the authority for establishing stabilization arrangements (for example, by statute or ordinance), (b) the requirements for additions to the stabilization amount, (c) the conditions under which stabilization amounts may be spent, and (d) the stabilization balance, if not apparent on the face of the financial statements. (GASB 54 ¶26)

If a governing body has formally adopted a minimum fund balance policy, the government should describe in the notes to its financial statements the policy established by the government that sets forth the minimum amount. (GASB 54 ¶27)

Governmental Fund Type Definitions

The definitions of the general, special revenue, capital projects, debt service, and permanent fund types are clarified in GASB 54. The new governmental fund type definitions are (these definitions are taken directly from GASB 54):

General Fund The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. (GASB 54 ¶29)

Special Revenue Funds Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. (GASB 54 ¶30)

Capital Projects Funds Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. (GASB 54 ¶33)

Debt Service Funds Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. (GASB 54 ¶34)

Permanent Funds Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. (GASB 54 ¶35)

Special Revenue Funds

The special revenue fund type definition addresses proceeds of specific restricted or committed revenue sources as the basis for a special revenue fund. Various revenues or resources can be reported in a special revenue fund; however, the fund is required to include substantial restricted or committed revenues as its foundation. Assigned revenues, transfers-in, or other financing sources (inflows) cannot be the foundation for establishing a special revenue fund. Substantial restricted or committed revenues means a material amount and it does not imply a quantitative range (more or less than some percentage of inflows).

When a special revenue fund is established to account for restricted or committed revenue, but the fund has a limited life expectancy and the inflows into the fund ultimately cease, the balance in that fund does not have to be reported as part of the general fund provided there **are no continuing inflows** (i.e., transfers) into the fund. The separate fund can continue to be reported until the restricted resources have been used for their specified purposes (Z.54.33). Governments should

discontinue reporting a special revenue fund and instead report the fund's remaining resources in the general fund, or another fund with a similar purpose that meets the criteria to be reported as a special revenue fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

The new definition for special revenue funds includes a requirement that a specific source of revenue at least be committed. A fund with committed resources may require Auditor of State approval under ORC Section 5705.12. Most Ohio local governments can only do what is authorized in State statute, so the ability to commit an otherwise unrestricted general fund revenue for some other specific purpose may not exist. Municipalities may, because of home rule, be able to commit, by ordinance, a specific source of revenue to a specific purpose.

Debt Service and Capital Projects Funds

Debt service and capital projects funds do not need a foundation revenue to exist and can have transfers as their sole inflow. If a capital projects fund has a transfer as its sole inflow and the governing body has identified a specific purpose by ordinance or resolution, then the fund balance is committed. However, if the governing body has not identified a purpose, the fund balance is assigned.

Required Note Disclosure

Governments should disclose in the notes to the financial statements the purpose for each major special revenue fund. This definition should identify the foundation revenues in each fund and the source of the restriction or commitment.

Change in Fund Classification

GASB 54 changes the definitions of governmental funds; therefore, some funds that are maintained for day-to-day accounting purposes may no longer meet the fund type criteria for reporting in the year-end external financial statements. These funds should be presented as part of the general fund or a qualifying special revenue fund in the year-end financial statements. The budgetary comparison information in the year-end financial statements should be the legally adopted budget for the general fund or major special revenue funds, without modification for the funds no longer meeting the special revenue criteria. Differences in fund structure between budgetary reporting and GAAP reporting are "perspective differences." (See GASB Codification 2400.113) This perspective difference should be explained in the reconciliation of budgetary information to generally accepted accounting principles information. (Z54.41) Changes in fund structure should be applied retroactively and will result in restating fund balance for all prior periods.

Specific Issues/Additional Information

Proprietary Funds

The new GASB 54 fund balance classifications apply to governmental fund financial statements only. They do not apply to net assets in proprietary funds or to the government-wide statement of net assets.

Relationship of net assets to fund balance

Restricted fund balance on the governmental fund financial statements will generally be different from restricted net assets for governmental activities reported on the government-wide statement of net assets. There are three reasons for this difference. First, the principal amount of a permanent fund is classified as nonspendable fund balance in the governmental fund financial statements, but is included in restricted net assets in the government-wide statement of net assets.

Second, the fund financial statements are prepared on the modified accrual basis of accounting and the government-wide statement of net assets is prepared on the accrual basis of accounting. The differences between the two bases of accounting will generate differences in the two amounts. And finally, the internal service fund is not included on the governmental fund financial statements; however, on the government-wide statement of net assets, the internal service fund is generally included with governmental activities. (Z.54.10)

Transfers

Transfers in are an inflow of resources to a fund, not a revenue source. A governing board can pass a resolution to annually transfer amounts from the general fund to a special revenue fund; however, when the transfer is the only inflow to be used for a specified purpose, it does not meet the criteria for restricted or committed revenues necessary to meet the definition of a special revenue fund. The separate fund can be reported as a special revenue fund even if the transfers-in exceed the foundation revenue for that fund. Following the constraint placed on fund resources by State law (5705.10(H), R.C.), the transferred resources would be reported the same as the restricted or committed revenues. Transfers from the general fund to any other governmental fund would be classified as part of assigned fund balance unless the governing board, by ordinance or resolution, identifies a specific purpose for the funds, in which case the resources would be reported as committed fund balance.

Cemetery Funds

Municipalities: Sale of cemetery lots under ORC Section 759.13 are restricted, “No more shall be charged for lots than is necessary to reimburse the city for the expense of lands purchased or appropriated for cemetery purposes, and to keep in order and embellish the grounds.” If the charges for services received under ORC Section 759.13 are considered the foundation revenue of the cemetery fund, then it would be a special revenue fund with a restricted fund balance. If the foundation revenue under ORC Section 759.13 is no longer collected, reevaluate the fund.

Cemetery money coming in under ORC Section 759.12 and ORC Section 759.15 should be reported as a permanent fund or private purpose trust fund. ORC Section 759.12 states that the dollars received under this section is “... for the perpetual care of the lots designated, using only the interest or income of the money.” ORC Section 759.15 states that the city shall “...forever hold such money as a permanent fund (statutory use and does not match GASB definition), and pay to the director (director of public service) in semiannual payments as interest on the funds, a sum sufficient to provide perpetual care of the lots as agreed by the director.”

GASB 34 and 54 defines permanent funds as funds “...used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs—that is, for the benefit of the government or its citizenry.” Private purpose trust funds “...should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.” Investing a specific portion of the fee charged to everyone for the sale of lots and using the interest to cover on-going maintenance of a cemetery (mowing) is benefitting the government or its citizenry and would be a permanent fund. Allowing individuals the option to contribute with the principal and/or interest designated for placing flowers on specific grave sites is benefitting individuals and would be a private purpose trust fund.

Under GASB 54, the principal of a permanent fund is reported as nonspendable. On the statement of net assets, amounts that are required to be retained in perpetuity are to be classified as nonexpendable within the restricted net asset category. GASB 34, paragraph 35 states that

permanent fund principal amounts should be shown in two additional categories of restricted net assets—expendable and nonexpendable.

Donations received under ORC Section 759.14 could be a special revenue, capital projects, permanent or private purpose trust fund depending on the nature of the donation. ORC Section 759.14 states that the donation may be “...used for the enlargement, improvement, embellishment, or care of the cemetery grounds generally, or for any particular parts or lots therein, as the donor directs, or as the director determines if no such direction is given.” Embellishment or care of the grounds generally could be a special revenue fund if the GASB 54 restricted or committed criteria are met. Enlargement or improvement of the grounds generally would be a capital projects fund. Enlargement, improvement, embellishment or care of a particular lot directed by the donor would be a private purpose trust. A permanent fund would only be used if the principal cannot be spent and the earnings are used for government programs. (See permanent fund definition above.)

Townships: ORC Section 517.07 establishes the township’s ability to sell cemetery lots, “Upon application, the board of township trustees shall sell at a reasonable price the number of lots as public wants demand for burial purposes.” ORC Section 517.08 places the restriction on these dollars, “The proceeds arising from the sale of cemetery lots under ORC Section 517.07 shall be used in maintaining, improving, beautifying, and embellishing such grounds, ...” If the charges for services received under ORC Section 517.07 are considered the foundation revenue of the cemetery fund, then it is a special revenue fund with a restricted fund balance.

Dollars receipted into a Cemetery Fund under ORC Section 517.15 can be for a variety of purposes, as follows:

- (A) “Gifts, devises, or bequests received for the purpose of maintaining, improving, or beautifying township cemeteries;” These dollars would be presented in a special revenue fund with a restricted fund balance.
- (B) “Charges added to the price regularly charged for burial lots for the purpose of maintaining, improving, or beautifying township cemeteries;” These dollars may be presented in a permanent fund with a nonspendable fund balance.
- (C) “Contributions of money from the township general fund;” These dollars would most likely not be the foundation revenue of the fund. These dollars would be presented in a special revenue fund with a restricted fund balance.
- (D) “An individual agreement with the purchaser of a burial lot providing that a part of the purchase price is to be applied to the purpose of maintaining, improving, or beautifying any burial lot designated and named by the purchaser;” These dollars would be presented in a private purpose trust fund – not subject to GASB 54 fund balance classifications.
- (E) “Individual gift, devises, or bequests made for the maintenance, improvement, and beautification of any burial lot designated and named by the person making the gift, devise, or bequest.” These dollars would be presented in a private purpose trust fund – not subject to GASB 54 fund balance classifications.

State statute allows this activity to be in one fund; however, maintaining separate funds may simplify financial reporting issues.

Municipal Income Tax

A municipal income tax enacted under ORC Section 718.01(C), results in various classifications of fund balance as follows:

- An income tax (up to one percent) is enacted without voter approval and no constraints are placed on the use of the revenue. This income tax revenue is to be included with the general fund and is part of the unassigned fund balance. There is no basis for a separate fund, even on a budgetary basis.
- An income tax is enacted with voter approval and no constraints are placed on the use of the revenue. This income tax revenue is included with the general fund and is part of the unassigned fund balance. Again, there is no basis for a separate fund.
- An income tax is enacted with or without voter approval and constraints on the use of the revenue are imposed by a separate ordinance. For GASB 54 purposes, this income tax revenue is included with the general fund if it is used for municipal operations. It could also be reported as a separate special revenue or as a capital projects fund depending on the use of the revenue. Regardless of how the fund is reported, the fund balance will be committed.
- An income tax (up to one percent) is enacted without voter approval and constraints on the use of the revenue are imposed through enabling legislation – original ordinance. For GASB 54 purposes, this income tax fund is reported as a separate special revenue or capital projects fund depending on the use of the revenue, and reports a restricted fund balance.
- An income tax is enacted with voter approval and constraints on the use of the revenue are imposed externally by the voters. For GASB 54 purposes, this revenue is reported as a separate special revenue or capital projects fund depending on the use of the revenue, and is classified as restricted fund balance.

School District Income Tax

A school district income tax is enacted with voter approval and no constraints are placed on the use of the revenue. For GASB 54 purposes, this income tax revenue is included with the general fund and is part of unassigned fund balance. If however, the revenue is for capital improvements, this income tax revenue is included in the permanent improvements capital projects fund and is classified as restricted fund balance

Charges for Services

When a fund has “Charges for Services” as its foundation revenue, each situation should be evaluated separately:

- Certain “Charges for Services” have external constraints and meet the definition of restricted fund balance. See the Restricted Fund Balance section of this bulletin.
- Certain “Charges for Services” have no external constraints; instead the constraints are internally generated by the government’s highest level of decision-making authority. To commit the resource, the language in the ordinance/resolution creating the constraint should identify both the revenue source and the constraint and indicate the revenue is to support the activity. Examples include: charges for services related to swimming pools, parking lots, recreation centers, garbage collections, and transit services.

- If the criteria for restricted and committed are not met, the revenue will be reported with the general fund and report an assigned or unassigned fund balance, as appropriate.
- If “Charges for Services” is not the foundation revenue, and the foundation revenue is restricted, the “Charges for Services” would also be restricted. See the Restricted Fund Balance section of this bulletin.

Donations

Donations received by a local government can be classified two ways. First, donations received with constraints imposed by the contributor are nonspendable (corpus) or restricted. Second, donations can be given to a specific department or fund in which case there is an implied constraint imposed by the donor. When this is combined with a resolution/ordinance recognizing the implied consent on the use of the dollars, the fund balance is committed. Donations received without written directive of how it is to be used from the donor should be considered a general fund receipt and reported as unrestricted fund balance.

OCBOA and Regulatory Financial Statements

Those local governments preparing OCBOA and regulatory statements should implement both the new fund balance classifications and the governmental fund type definitions. New templates will be available to facilitate this process. A failure to follow these classifications would usually preclude auditors from expressing an unqualified opinion on the statements.

Unclaimed Monies Fund

For unclaimed monies, the difference between the amount of cash in the fund and the estimated liability for payments to claimants would be classified as nonspendable fund balance until the end of the five year holding period. Unclaimed funds are legally required (ORC Section 9.39) to be maintained for five years. For a cash basis entity, the entire cash balance would be reported as nonspendable.

School District Issues

Property Tax Advances and Subsequent Years' Appropriations

When the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource (appropriated for general fund uses or appropriations exceed estimated receipts), then that portion of fund balance should be classified as assigned. (GASB 54 ¶16 and Z.54.13) For School Districts, the amount available as an advance against the August real property settlement (booked as a receivable/revenue at June 30) is part of fund balance. Therefore, when making this calculation, the estimated receipts should not include the amount available as an advance against the August real property settlement. Since the general fund is the only fund with a positive unassigned fund balance, this calculation is only needed for the general fund.

Allocation of Inside Millage

School Districts have the ability to allocate inside millage from the general fund to the permanent improvement fund. This reallocation process goes through a formal legislative process, public hearings, and the county budget commission. The allocated millage/revenues, such as those directed for permanent improvements, should be reported as committed fund balance as the same process is followed to return the inside millage to the general fund.

Classroom Facility Maintenance Fund (034)

School districts are required to establish and maintain a Classroom Facility Maintenance Special Revenue Fund and have a voted half mill property tax levy to finance the maintenance of completed School Facility Projects for 23 years. As an alternative to the half mill levy, a school district may earmark a portion of an existing continuing permanent improvement property tax levy or the proceeds of an income tax levy that may be used for permanent improvements. By statute, these resources are transferred to the Classroom Facility Maintenance Fund. In order to report the Classroom Facility Maintenance Special Revenue Fund, the transfers-in, on a GAAP basis, should be reclassified to property or income tax revenues and the transfers-out should be eliminated by reducing property or income tax revenues in the originating fund. This allows the Classroom Facility Maintenance Fund to report a specific revenue source (the foundation revenue) meeting the criteria necessary to have a special revenue fund. The transfers should continue to be presented on the budget and actual financial statements.

Set-Asides

School District set-asides established by ORC Sections 3315.17 and .18 represent restricted fund balance within the general fund. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law.

Unspent refunds or rebates from Bureau of Workers' Compensation received prior to April 10, 2001, (previously required by law to be deposited into a budget reserve) are limited to the following purposes:

- To offset a budget deficit;
- For school facility construction, renovation or repair;
- For textbooks or instructional materials, including science equipment or laboratories;
- For the purchase of school buses; or
- For professional development of teachers.

The last four items above would be reported as restricted fund balance because of the constraints placed on the use by State statute and should be reported within the general fund according to the purpose chosen by the board of education. The choice to offset a budget deficit parallels a budget stabilization arrangement which is reported as unassigned fund balance. This presentation differs from the guidance in GASB 54 which has constraints imposed by State statute (laws of another government) as restricted fund balance.

GASB 54 Fund Balance Classification Analysis Charts

The following pages contain charts presenting the more common funds and foundation revenue/inflow for Cities/Villages, Schools Districts, Counties, Townships and Libraries.

The charts identify the "GASB 54 fund classification" and the "prior fund classification" to illustrate situations necessitating the change in fund classification resulting from the implementation of GASB 54. If the two columns are the same, then no change in fund classification resulted.

The charts do not include all possible grant funds; however, if a special revenue fund or capital projects fund has been properly established to account for a grant, the fund balance would be restricted based on the language in the grant agreement.

The chart may identify multiple foundation revenues/inflows for a single fund. Local governments should identify which resource or resources they will be using as their foundation revenue and classify fund balance as appropriate. For example on the county chart, the jail operations special revenue fund could have property taxes or charges for services as its foundation revenue. If property taxes are the foundation revenue, fund balance would be restricted; however, if charges for services are the foundation revenue, fund balance would be committed.

Questions

If you have any questions regarding the information presented in the Bulletin, please contact Local Government Services at the Auditor of State's Office at (800) 345-2519.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Ohio Auditor of State

Libraries									
GASB 54 Fund Balance Classification Analysis									
GASB 54 Fund Classification	Prior Fund Classification	Fund Name	Revenue Source Foundation Revenue (SR only)/ Inflow	Source of Constraint	Type of Constraint	Fund Balance Classification			
General General	General General	General Unclaimed Monies Fund	Various sources Various unclaimed funds	None ORC Section 9.39	None Externally imposed by State Statute	Unassigned Nonspendable			
SR	SR	Miscellaneous Special Revenue	Intergovernmental - Grants	Federal/State Grantors	Externally Imposed by Grantor	Restricted			
DS	DS	General Retirement Fund	TBD by Library	TBD by Library	TBD by Library	TBD by Library			
CP	CP	Capital Projects	TBD by Library	TBD by Library	TBD by Library	TBD by Library			
CP	CP	Building and Repair Fund	TBD by Library	TBD by Library	TBD by Library	TBD by Library			
Perm + Perm +	Perm Perm	Permanent Permanent	Donations-Corpus can't be spent Earnings on corpus	ORC Section 5705.09(F) ORC Section 5705.09(F)	Externally imposed by donor Externally imposed by donor	Nonspendable Restricted			

Libraries Explanatory Notes

The chart shows the “prior fund classification” and the “GASB 54 fund classification” to illustrate situations necessitating the change in fund classification resulting from the implementation of GASB 54. If the two columns are the same, then no change in fund classification resulted.

The preceding chart does not include all possible grant funds; however, if a special revenue fund or capital projects fund has been properly established to account for a grant, the fund balance would be restricted based on the language in the grant agreement.

+ **GASB 54 Fund Classification**

The use of a permanent fund requires an evaluation of each individual circumstance, and the chart is illustrating the GASB 54 fund balance classification for those situations when a permanent fund is appropriate.

+ **Foundation Revenue/Inflow**

Transfers and debt proceeds represent an inflow not a revenue.