

OHIOANA LIBRARY ASSOCIATION

Financial Statements and Supplementary Information

June 30, 2014 and 2013

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Ohioana Library Association
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Ohioana Library Association (a nonprofit association), which are comprised of the statement of financial position as of June 30, 2014 and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohioana Library Association as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements as of June 30, 2013 were audited by Schoonover Boyer + Associates, who merged with Clark, Schaefer, Hackett & Co. as of May 16, 2014, and whose report dated October 3, 2013, expressed an unmodified opinion on those statements.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 29, 2014

OHIOANA LIBRARY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,470	\$ 28,529
Cash held for others	8,888	5,780
Total current assets	<u>20,358</u>	<u>34,309</u>
OTHER ASSETS		
Furniture, fixtures and equipment, less accumulated depreciation of \$231,390 and \$230,139, respectively	1,903	2,704
Beneficial interest in assets held by others (Note 9)	<u>504,429</u>	<u>431,212</u>
Total other assets	<u>506,332</u>	<u>433,916</u>
TOTAL ASSETS	<u>\$ 526,690</u>	<u>\$ 468,225</u>
CURRENT LIABILITIES		
Accounts payable	\$ 9,613	\$ 8,237
Payroll taxes withheld	4	10,062
Total current liabilities	<u>9,617</u>	<u>18,299</u>
NET ASSETS		
Unrestricted		
For current operations	159,041	116,338
Temporarily restricted		
Donor restricted (Note 4)	71,801	47,357
Permanently restricted		
Donor restricted endowment funds (Note 4)	<u>286,231</u>	<u>286,231</u>
Total net assets	<u>517,073</u>	<u>449,926</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 526,690</u>	<u>\$ 468,225</u>

The accompanying notes are an integral part of these financial statements.

OHIOANA LIBRARY ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES:				
State of Ohio budget appropriation	\$ 254,516	\$ -	\$ -	\$ 254,516
Contributions	37,937	-	-	37,937
Awards	-	2,025	-	2,025
Memberships and subscriptions	18,020	-	-	18,020
Grants	14,154	-	-	14,154
Ohioana Day	13,986	-	-	13,986
Book festivals	68,322	-	-	68,322
Ohio Women's Hall of Fame	5,715	-	-	5,715
Miscellaneous	6,159	-	-	6,159
Earnings in beneficial interest in assets held by others (Note 8)	49,985	27,040	-	77,025
Satisfaction of donor restriction (Note 6)	3,909	(3,909)	-	-
Total revenues, gains and other support	472,703	25,156	-	497,859
EXPENSES:				
Salaries	143,940	-	-	143,940
Rent	119,516	-	-	119,516
Publication costs	14,610	-	-	14,610
Payroll taxes	19,030	-	-	19,030
Insurance – collection	4,223	-	-	4,223
Equipment and maintenance	1,965	-	-	1,965
Awards and grants	7,391	-	-	7,391
Employee benefits	28,409	-	-	28,409
Office and library supplies	2,532	-	-	2,532
Ohioana Day	1,328	-	-	1,328
Book festivals	48,018	-	-	48,018
Postage	785	-	-	785
Professional fees	8,842	-	-	8,842
Public relations	4,323	-	-	4,323
Fundraising	8,443	-	-	8,443
Dues and subscriptions	778	-	-	778
Telephone	1,285	-	-	1,285
Travel and meetings	2,677	-	-	2,677
Depreciation	801	-	-	801
Collections	1,000	-	-	1,000
Fees	1,096	712	-	1,808
Miscellaneous	9,008	-	-	9,008
Total expenses	430,000	712	-	430,712
Change in net assets	42,703	24,444	-	67,147
Net assets – beginning of year	116,338	47,357	286,231	449,926
Net assets – end of year	\$ 159,041	\$ 71,801	\$ 286,231	\$ 517,073

The accompanying notes are an integral part of these financial statements.

OHIOANA LIBRARY ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES:				
State of Ohio budget appropriation	\$ 237,135	\$ -	\$ -	\$ 237,135
Contributions	35,032	-	-	35,032
Awards	2,095	-	-	2,095
Memberships and subscriptions	22,079	-	-	22,079
Grants	15,081	-	-	15,081
Ohioana Day	22,196	-	-	22,196
Book festivals	78,906	-	-	78,906
Interest income	12	-	-	12
Miscellaneous	13,027	-	-	13,027
Earnings in beneficial interest in assets held by others (Note 8)	44,507	19,471	-	63,978
Satisfaction of donor restriction (Note 6)	250	(250)	-	-
Total revenues, gains and other support	470,320	19,221	-	489,541
EXPENSES:				
Salaries	185,095	-	-	185,095
Rent	117,135	-	-	117,135
Publication costs	15,006	-	-	15,006
Payroll taxes	13,687	-	-	13,687
Insurance – collection	4,881	-	-	4,881
Preservation costs	170	-	-	170
Equipment and maintenance	2,383	-	-	2,383
Awards and grants	9,537	-	-	9,537
Employee benefits	42,598	-	-	42,598
Office and library supplies	2,718	-	-	2,718
Ohioana Day	1,492	-	-	1,492
Book festivals	40,144	-	-	40,144
Postage	700	-	-	700
Professional fees	5,391	-	-	5,391
Public relations	6,289	-	-	6,289
Fundraising	9,598	-	-	9,598
Dues and subscriptions	950	-	-	950
Telephone	1,545	-	-	1,545
Travel and meetings	359	-	-	359
Depreciation	1,251	-	-	1,251
Collections	1,775	-	-	1,775
Fees	572	1,102	-	1,674
Bad debt	17,901	-	-	17,901
Miscellaneous	4,750	-	-	4,750
Total expenses	485,927	1,102	-	487,029
Change in net assets	(15,607)	18,119	-	2,512
Net assets – beginning of year	131,945	29,238	286,231	447,414
Net assets – end of year	\$ 116,338	\$ 47,357	\$ 286,231	\$ 449,926

The accompanying notes are an integral part of these financial statements.

OHIOANA LIBRARY ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 67,147	\$ 2,512
Adjustments to reconcile change in net assets to net cash provided from (used in) operating activities:		
Depreciation	801	1,251
Unrealized (gain) in beneficial interest in assets held by others	(55,561)	(48,916)
(Increase) decrease in operating assets:		
Contributions receivable	-	17,901
Increase (decrease) in operating liabilities:		
Accounts payable	1,376	(11,032)
Payroll taxes withheld	<u>(10,058)</u>	<u>10,062</u>
Net cash provided by (used in) operating activities	<u>3,705</u>	<u>(28,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of equipment	-	(764)
Transfer (to) from endowment fund	<u>(17,656)</u>	<u>21,862</u>
Net cash (used in) provided by investing activities	<u>(17,656)</u>	<u>21,098</u>
Net (decrease) in cash and cash equivalents	(13,951)	(7,124)
Cash and cash equivalents – beginning of year	<u>34,309</u>	<u>41,433</u>
Cash and cash equivalents – end of year	<u>\$ 20,358</u>	<u>\$ 34,309</u>

The accompanying notes are an integral part of these financial statements.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 1 – NATURE AND SCOPE OF BUSINESS

Ohioana Library Association (the "Association") was organized in 1929 to promote literature written by Ohioans or about Ohio. Ohioana Library is located on East First Avenue in Columbus, Ohio. The Association is a 501(c)(3) not-for-profit organization, and, although its support comes primarily from appropriations from the State of Ohio, Ohioana receives significant support from memberships, subscriptions, grants, and private donors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Association have been prepared on the accrual basis. The following significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Public Support and Revenue

Unconditional promises to give are recorded as receivables and revenue when received. The Association distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash includes cash on hand, demand deposits with banks and highly liquid investments with original maturities of three months or less.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Statement Presentation

The Association reports information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted Net Assets – Unrestricted net assets are neither permanently nor temporarily restricted by donor-imposed stipulations and are available for use in the Association's ongoing operations.
- Temporarily Restricted Net Assets – Temporarily restricted net assets are limited as to use by donor-imposed stipulations that either expire by passage of time or may be fulfilled and removed by action of the Association pursuant to those stipulations. The Association had \$71,801 and \$47,357 in temporarily restricted net assets at June 30, 2014 and 2013, respectively.
- Permanently Restricted Net Assets – Permanent restricted net assets are limited as to use by donor-imposed stipulations that generally allow only the use of earnings for the stipulated purposes. The principal is generally not available for use. The Association had \$286,231 in permanently restricted assets at June 30, 2014 and 2013.

Membership

Individuals may pledge support through payment of membership dues which entitle the member to certain benefits. Revenue from membership is recognized when received rather than over the life of the membership period.

Income Taxes

The Association is a publicly supported organization and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Association has no unrelated business income. The Association believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Association's Form 990 for the years ended June 30, 2011, 2012, and 2013 is subject to examination by the IRS, generally for three years after the form has been filed.

Contributions made to the Association are tax deductible by the donor.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are carried at cost, less accumulated depreciation, computed on the straight-line method. Major renewals and betterments are capitalized and depreciated; maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income. Furniture, fixtures and equipment are depreciated over estimated useful lives from 3 to 10 years.

Beneficial interest in assets held by others

The Association follows ASC which requires a not-for-profit that transfers assets to a community foundation and specifies itself as the beneficiary to recognize its beneficial interest in the assets transferred. The Association carries its beneficial interest in the assets held by others

Changes in value are recorded as investment and interest income in the statement of activities and changes in net assets.

Collections

The collections, which were acquired through purchases and contributions since the Association's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements.

Functional Expenses – The costs of providing various programs and other activities are summarized on a functional basis as follows:

	<u>2014</u>	<u>2013</u>
Program services	\$ 334,348	\$ 373,918
General and administrative	87,921	103,513
Fundraising	<u>8,443</u>	<u>9,598</u>
	<u>\$ 430,712</u>	<u>\$ 487,029</u>

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 29, 2014, which is the date the financial statements were available to be issued.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Total net assets and change in net assets did not change as a result of the reclassification.

NOTE 3 – RETIREMENT PLAN

The Association established a defined contribution retirement plan during the year ended June 30, 1991. The plan covers substantially all employees. All contributions are committed in trust to be held for the exclusive benefit of the employees. Contributions to the plan were \$4,342 and \$9,194, respectively, for the years ended June 30, 2014 and 2013.

NOTE 4 – NET ASSETS

The Association has eleven endowment funds in which the principal is restricted.

The following is a summary of permanently restricted net assets:

	<u>2014</u>	<u>2013</u>
Ruth Mount	\$ 26,947	\$ 26,947
Martha K. Cooper	150,115	150,115
Alice Wood	15,000	15,000
Martha C. Judy/Hamilton County Chapter	10,985	10,985
Virginia Hamilton & Arnold Adoff	15,100	15,100
Maude & Gilbert Neal	9,100	9,100
Ronald L. Stuckey	5,050	5,050
Mary Columbo Rodgers	6,834	6,834
Krout	35,000	35,000
Vernon Pack	<u>12,100</u>	<u>12,100</u>
	<u>\$ 286,231</u>	<u>\$ 286,231</u>

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 4 – NET ASSETS – Continued

The following is a summary of temporarily restricted net assets:

	2014	2013
Ruth Mount	\$ 18,578	\$ 13,896
Alice Wood	3,097	1,194
Martha C. Judy/Hamilton County Chapter	5,610	3,716
Virginia Hamilton & Arnold Adoff	9,310	6,203
Maude & Gilbert Neal	7,293	4,980
Ronald L. Stuckey	3,215	2,204
Krout	22,344	15,164
Marvin	2,354	-
	<u>\$ 71,801</u>	<u>\$ 47,357</u>

Ohioana Endowments at the Columbus Foundation include both restricted and unrestricted funds to support the mission and programs of the Ohioana Library.

NOTE 5 – COLLECTIONS

Collections of the Association contain approximately 45,000 books by and about Ohioans, 10,000 pieces of published Ohio music and 22,000 biographical files on Ohio authors, composers and other artists, in addition to various special Ohio collections.

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Total net assets released from restrictions were \$3,909 and \$250, respectively during the years ended June 30, 2014 and 2013 for the purpose of presenting awards to outstanding Ohio authors.

NOTE 7 – OPERATING LEASE OBLIGATION

The Association subleases space from the State Library of Ohio, and the rent payments are made directly by the State Library through a line item in the budget of the State Library from the State of Ohio. This line item directly accounts for that portion of the rent due under the lease. The initial lease was for a two-year period beginning July 1, 2007 and was renewed for the period July 1, 2009 through June 30, 2023. The minimum lease requirement for the years ending June 30, 2014 and 2013 was \$119,516 and \$117,135, respectively.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 7 – OPERATING LEASE OBLIGATION – Continued

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 119,516
2016	121,897
2017	121,897
2018	124,279
2019	124,279
Thereafter	<u>512,323</u>
	<u>\$1,124,191</u>

NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Effective December 7, 2005 the Association transferred its investment portfolio to the Columbus Foundation to establish endowment funds for the benefit of the Association. These funds are classified as Beneficial Interest in Assets Held by Others in the Statements of Financial Position. Changes in value are recorded as investment and interest income in the Statements of Activities and Changes in Net Assets for the years ended June 30, 2014 and 2013.

NOTE 9 – FAIR VALUE MEASUREMENTS

The Association follows the ASC guidance regarding fair value measurements for all assets and liabilities that are being measured and reported at fair value. This guidance requires disclosure that establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements.

This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 9 – FAIR VALUE MEASUREMENTS – Continued

The guidance requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Association performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. For the years ended June 30, 2014 and 2013, the application of fair value techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers for board designated investments transferred effective November 9, 2011. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument. The fair value of beneficial interest in funds held by other is based on the value of the Association's proportional share of the overall assets held by Columbus Jewish Association. These assets are not subject to the control or direction by the Association. Gains and losses, which are not distributed by the Columbus Jewish Association, are reflected as investment and interest income in the statements of activities and changes in net assets.

The table below presents the balances of assets measured at fair value on a recurring basis by level within that hierarchy as of June 30, 2014 and 2013.

<u>June 30, 2014</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Beneficial interest in funds held by others	<u>\$ 504,429</u>	<u>-</u>	<u>504,429</u>	<u>-</u>
 <u>June 30, 2013</u>				
Beneficial interest in funds held by others	<u>\$ 431,212</u>	<u>-</u>	<u>431,212</u>	<u>-</u>

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 10 – ENDOWMENTS

The Association adopted the provisions of ASC 958, Section 205-50 (“FSP 117-1”), Reporting Endowment Funds. FSP 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Association’s endowment consists of individual funds established for a variety of purposes using donor-restricted endowment funds. Effective December 7, 2005 the Association transferred its board designated investment portfolio to The Columbus Foundation. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Association has interpreted the Ohio UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 10 – ENDOWMENTS - Continued

Endowment net asset compositions as of and for the year ended June 30, 2014 and 2013 are as follows:

<u>June 30, 2014</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Beneficial interest in funds held by others	\$ 504,429	-	504,429	-
 <u>June 30, 2013</u>				
Beneficial interest in funds held by others	\$ 431,212	-	431,212	-

Changes in endowment net assets for the years ended June 30, 2014 and 2013 are as follows:

	<u>Board Designated</u>		<u>Temporarily Restricted</u>		<u>Permanently Restricted</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Endowment funds, beginning of year	\$ 97,624	88,689	\$ 47,357	29,238	286,231	286,231
Investment and interest income, net of expenses	48,889	43,935	26,328	18,369	-	-
Contributions	-	-	-	-	-	-
Annual allocations	-	(35,000)	(2,000)	(250)	-	-
Endowment funds, end of year	<u>\$ 146,513</u>	<u>97,624</u>	<u>\$ 71,685</u>	<u>47,357</u>	<u>286,231</u>	<u>286,231</u>

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor- restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies as of June 30, 2014 and 2013 related to market fluctuation.

OHIOANA LIBRARY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 10 – ENDOWMENTS - Continued

Investment Strategies

For the assets held by The Columbus Foundation, investments are subject to The Columbus Foundation's investment strategies and policies. The Association receives annual allocations based on requests from the Association and available funds.

For the assets managed by an investment committee of the Board of Directors, the investment and policies strategy are managed by this committee. The investments are under the custodial management of Columbus Foundation as of June 30, 2014 and 2013.

NOTE 11 – OHIOANA AS RECIPIENT ORGANIZATION

During the fiscal year ended June 30, 2010, Ohioana entered in to an agreement with the Ohio Arts Council to act as the fiscal agent for Poetry Out Loud, a program of the Ohio Arts Council. The program has a yearly budget and in return for their services, Ohioana receives 5% of the budget. Essentially, all of the expenses for Poetry Out Loud are billed to the Ohio Arts Council, approved by their staff, and then sent to Ohioana for payment. The term of the agreement was effective November 1, 2009 through June 30, 2010 and has been renewed through June 30, 2014. Ohioana has cash held for others in the amount of \$8,888 and \$5,780 as of June 30, 2014 and 2013, respectively, related to this activity.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

To the Board of Trustees
Ohioana Library Association
Columbus, Ohio

We have audited the financial statements of Ohioana Library Association as of and for the year ended June 30, 2014, and have issued our report thereon dated September ??, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Revenues and Expenses compared to Budget (unaudited) for the year ended June 30, 2014 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
October 29, 2014

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OHIOANA LIBRARY ASSOCIATION

STATEMENT OF REVENUES AND EXPENSES COMPARED TO BUDGET

Year Ended June 30, 2014

	Actual	Unaudited Budget
PUBLIC SUPPORT AND REVENUES:		
State of Ohio budget appropriation	\$ 254,516	\$ 255,650
Contributions	37,937	38,500
Awards	2,025	2,500
Memberships and subscriptions	18,020	25,100
Grants	14,154	16,500
Ohioana Day	13,986	10,000
Book Festival	68,322	77,926
Ohio Women's Hall of Fame	5,715	-
Miscellaneous	6,159	13,650
Total revenues, gains and other support	420,834	439,826
EXPENSES:		
Salaries	143,940	185,000
Rent	119,516	120,650
Publication costs	14,610	15,000
Payroll taxes	19,030	14,000
Insurance - collection	4,223	4,200
Preservation costs	-	250
Equipment and maintenance	1,965	3,500
Awards and grants	7,391	8,000
Employee benefits	28,409	37,600
Office and library supplies	2,532	3,000
Ohioana Day	1,328	7,500
Book festivals	48,018	45,000
Postage	785	1,000
Professional fees	8,842	5,500
Public relations	4,323	6,500
Fundraising	8,443	3,500
Dues and subscriptions	778	1,000
Telephone	1,285	2,000
Travel and meetings	2,677	500
Depreciation	801	-
Fees	1,808	-
Collections	1,000	-
Miscellaneous	9,008	6,500
Total expenses	430,712	470,200
INVESTMENT ACTIVITIES		
Earnings in beneficial interest in assets held by others	\$ 77,025	\$ -

The accompanying notes and independent auditors' report should be read in conjunction with this schedule.