



OHIO AUDITOR OF STATE
KEITH FABER



GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2022.....	5
Notes to the Financial Statements For the Year Ended December 31, 2022.....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2021.....	13
Notes to the Financial Statements For the Year Ended December 31, 2021.....	15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23
Schedule of Findings.....	25

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INDEPENDENT AUDITOR'S REPORT

Garnet A. Wilson Public Library
Pike County
207 North Market Street
Waverly, OH 45690

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Garnet A. Wilson Public Library, Pike County, Ohio (the Library), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Library on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Library's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
January 23, 2024

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**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$401,000	\$0	\$401,000
Public Library	1,084,406	0	1,084,406
Intergovernmental	41,975	0	41,975
Patron Fines and Fees	11,034	0	11,034
Contributions, Gifts and Donations	13,383	27,344	40,727
Earnings on Investments	18,653	0	18,653
Miscellaneous	26,703	0	26,703
<i>Total Cash Receipts</i>	<u>1,597,154</u>	<u>27,344</u>	<u>1,624,498</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	458,861	0	458,861
Collection Development and Processing	189,329	0	189,329
Support Services:			
Facilities Operation and Maintenance	227,771	0	227,771
Information Services	72,213	0	72,213
Business Administration	241,247	12,162	253,409
<i>Total Cash Disbursements</i>	<u>1,189,421</u>	<u>12,162</u>	<u>1,201,583</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>407,733</u>	<u>15,182</u>	<u>422,915</u>
<i>Fund Cash Balances, January 1</i>	<u>1,336,079</u>	<u>854,293</u>	<u>2,190,372</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,743,812</u></u>	<u><u>\$869,475</u></u>	<u><u>\$2,613,287</u></u>

The notes to the financial statements are an integral part of this statement.

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Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Garnet A. Wilson Public Library (the Library), Pike County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Pike County Commissioners appoints four members and the Common Pleas Judge appoints three members to the Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Pike County Library Foundation is a not-for-profit organization with a self-appointed board. The Library is not financially accountable for this organization, nor does the Library approve their budget or the issuance of debt. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Library’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project fund:

Capital Improvements Fund – Buildings: This fund receives contributions, gifts and donations for capital outlays for the future construction of a new library facility.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Board must annually to approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2022 budgetary activity appears in Note 3.

Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Library is the lessor in one lease (as defined by GASB 87) related to buildings under noncancelable leases. Lease Revenues are recognized when they are received.

Fund Balance

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

Nonspendable The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

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

Committed The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For Regulatory purposes, limited disclosures related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,414,000	\$1,597,154	\$183,154
Capital Projects	100,000	27,344	(72,656)
Total	\$1,514,000	\$1,624,498	\$110,498

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,457,807	\$1,189,421	\$268,386
Capital Projects	886,953	12,162	874,791
Total	\$2,344,760	\$1,201,583	\$1,143,177

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library’s deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$1,217,080
Certificates of deposit	100,000
Total deposits	1,317,080
STAR Ohio	1,296,207
Total investments	1,296,207
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	\$2,613,287

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Library.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5– Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State’s general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments’ Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Library.

Note 6– Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All of the Library employees belong to the Ohio Public Employees Retirement System (OPERS). At 2022-year end there were 21 employees. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Library contributed an amount equaling 14 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2022.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Fund Balances

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end there were no outstanding encumbrances.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Library received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$383,718	\$0	\$0	\$383,718
Public Library	1,002,423	0	0	1,002,423
Intergovernmental	43,881	0	0	43,881
Patron Fines and Fees	11,126	0	0	11,126
Contributions, Gifts and Donations	6,952	0	62,674	69,626
Earnings on Investments	3,165	0	0	3,165
Miscellaneous	29,610	0	0	29,610
<i>Total Cash Receipts</i>	<u>1,480,875</u>	<u>0</u>	<u>62,674</u>	<u>1,543,549</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	368,980	3,504	0	372,484
Collection Development and Processing	136,455	0	0	136,455
Support Services:				
Facilities Operation and Maintenance	233,747	25,315	16,146	275,208
Information Services	47,190	0	0	47,190
Business Administration	309,551	0	0	309,551
Capital Outlay	62,259	0	0	62,259
<i>Total Cash Disbursements</i>	<u>1,158,182</u>	<u>28,819</u>	<u>16,146</u>	<u>1,203,147</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>322,693</u>	<u>(28,819)</u>	<u>46,528</u>	<u>340,402</u>
<i>Fund Cash Balances, January 1</i>	<u>1,013,386</u>	<u>28,819</u>	<u>807,765</u>	<u>1,849,970</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,336,079</u></u>	<u><u>\$0</u></u>	<u><u>\$854,293</u></u>	<u><u>\$2,190,372</u></u>

The notes to the financial statements are an integral part of this statement.

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Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Garnet A. Wilson Public Library (the Library), Pike County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Pike County Commissioners appoints four members and the Common Pleas Judge appoints three members to the Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Pike County Library Foundation is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for this organization, nor does the Library approve the Budget or the issuance of debt of this organization. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Library’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

General Fund: The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund: These funds 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 Library had the following significant Special Revenue Funds:

Corona Virus Relief (CRF) Fund: This fund was created for the Cares Act Corona Virus Relief Grant. The Grant’s sole purpose is to assist in safe operations during the COVID-19 public health emergency. This fund had a zero balance at the end of 2021.

Capital Project Fund: These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project funds:

Capital Improvements Fund – Buildings: This fund receives contributions, gifts and donations for capital outlays for the future construction of a new library facility.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control.

A summary of 2021 budgetary activity appears in Note 3.

Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Library is the lessor in one lease (as defined by GASB 87) related to buildings under noncancelable leases. Lease Revenues are recognized when they are received.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Fund Balance

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

Nonspendable: The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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

Committed : The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,260,000	\$1,480,875	\$220,875
Special Revenue	0	0	0
Capital Projects	100,000	62,674	(37,326)
Total	\$1,360,000	\$1,543,549	\$183,549

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2021 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,287,932	\$1,158,182	\$129,750
Special Revenue	28,816	28,819	(3)
Capital Projects	117,595	16,146	101,449
Total	\$1,434,343	\$1,203,147	\$231,196

Note 4 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all fund are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library’s deposit and investment accounts are as follows:

	2021
<i>Cash Management Pool:</i>	
Demand deposits	\$1,311,631
Certificates of deposit	200,000
Total deposits	<u>1,511,631</u>
STAR Ohio	678,741
Total investments	<u>678,741</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$2,190,372</u></u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Library.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Grants in Aid and Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State’s general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Library.

Note 6 – Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
<u>Liabilities</u>	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Workers' Compensation

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The 25 Library employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Library contributed an amount equaling 14 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2021.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Fund Balances

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end there were no outstanding encumbrances.

fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. There were no outstanding encumbrances December 31, 2021.

Garnet A. Wilson Public Library
Pike County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Library received no COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Garnet A. Wilson Public Library
Pike County
207 N. Market Street
Waverly, Ohio 45690

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Garnet A. Wilson Public Library, Pike County, (the Library) and have issued our report thereon dated January 23, 2024, wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
January 23, 2024

**GARNET A. WILSON PUBLIC LIBRARY
PIKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

OTHER – FINDINGS FOR RECOVERY

We identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS Compliance and Controls report.

FINDING NUMBER 2022-001

Finding for Recovery – Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Ohio Attorney General Opinion 82-006 indicates that fringe benefits are lawful public expenditures “when provided by an employer as an inducement,” to an employee to continue that employee’s current employment.

Due to insufficient established policies and procedures, the Library provided Dan Moore with a one-time bonus of \$500 upon his retirement. The payment was not made as an inducement for Mr. Moore to continue his employment.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Dan Moore, former employee; Pam Justice, Fiscal Officer, and her bonding company, Selective Insurance Company of America; and Kimberly Rittenour, Board President, jointly and severally in the amount of \$500 and in favor of the Garnet A. Wilson Library's General Fund.

On January 10, 2024, Ms. Justice repaid Garnet A. Wilson Public Library, via a personal check, the total finding amount of \$500. This amount was deposited into the Library’s bank account on January 10, 2024 and posted to the Library’s accounting system on January 10, 2024. This finding for recovery is considered paid in full.

Officials’ Response:

On February 14, 2022 at the regular Board of Trustees meeting a motion was made to give Dan Moore a one-time bonus upon his retirement in the amount of \$500.00. The motion was seconded and a roll call vote was taken. This motion was unanimous for the payment of the bonus. This is recorded in the Board of Trustees minutes as Resolution #15-22. As a Fiscal Officer, I was performing my duties by complying with this resolution approved by the Board of Trustees.

FINDING NUMBER 2022-002

Finding for Recovery – Repaid Under Audit

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Ohio Attorney General Opinion 82-006 indicates that fringe benefits are lawful public expenditures “when provided by an employer as an inducement,” to an employee to continue that employee’s current employment.

Due to insufficient established policies and procedures, the Library provided Evelyn Rhoads with a one-time bonus of \$750 upon her retirement. The payment was not made as an inducement for Ms. Rhoads to continue her employment.

**FINDING NUMBER 2022-002
(Continued)**

In accordance with the forgoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against the Estate of Evelyn Rhoads, former employee; and Pam Justice, Fiscal Officer, and her bonding company, Selective Insurance Company of America; and Kimberly Rittenour, Board President, jointly and severally in the amount of \$750 and in favor of the Garnet A. Wilson Library's General Fund.

On January 10, 2024, Ms. Justice repaid Garnet A. Wilson Public Library, via a personal check, the total finding amount of \$750. This amount was deposited into the Library's bank account on January 10, 2024 and posted to the Library's accounting system on January 10, 2024. This finding for recovery is considered paid in full.

Officials' Response:

On August 8, 2022 at the regular Board of Trustees meeting a motion was made to give Evelyn Rhoads a one-time bonus upon her retirement in the amount of \$750.00. The motion was seconded and a roll call vote was taken. This motion was unanimous for the payment of the bonus. This is recorded in the Board of Trustees minutes as Resolution #31-22. As a Fiscal Officer, I was performing my duties by complying with this resolution approved by the Board of Trustees.

OHIO AUDITOR OF STATE KEITH FABER



GARNET A. WILSON PUBLIC LIBRARY

PIKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/13/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov