

***PENINSULA LIBRARY AND HISTORICAL SOCIETY***

**SUMMIT COUNTY, OHIO**

**REGULAR AUDIT**

**For the year ended December 31, 2019**







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Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Members of the Board  
Peninsula Library and Historical Society  
6105 Riverview Road  
Peninsula, Ohio 44264

We have reviewed the *Independent Auditor's Report* of the Peninsula Library and Historical Society, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

July 16, 2020

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**PENINSULA LIBRARY AND HISTORICAL SOCIETY  
SUMMIT COUNTY**

**TABLE OF CONTENTS**

<b><u>Title</u></b>	<b><u>Page</u></b>
Independent Auditor's Report	1
Statements of Financial Position - Cash Basis For the Years Ended December 31, 2019 and 2018	3
Statements of Support and Revenue, Expenses and Changes in Net Assets - Cash Basis For the Years Ended December 31, 2019 and 2018	4
Statements of Cash Flows - Cash Basis For the Years Ended December 31, 2019 and 2018	5
Notes to the Financial Statements For the Years Ended December 31, 2019 and 2018	6
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliances and Other Matters Required by <i>Government Auditing Standards</i>	12
Schedule of Findings	14
Prepared by Management:	
Schedule of Prior Audit Findings	15
Corrective Action Plan	16

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**INDEPENDENT AUDITOR'S REPORT**

Peninsula Library and Historical Society  
Summit County  
6105 Riverview Road  
Peninsula, Ohio 44264

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the Peninsula Library and Historical Society, Summit County, Ohio (the "PLHS") (a not-for-profit corporation), which comprise the statements of financial position - cash basis as of December 31, 2019 and 2018, and the related statements of support and revenue, expenses and changes in financial position - cash basis and the statement of cash flows - cash basis for the years 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 the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

***Auditor's 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 and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 PLHS' 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 PLHS' 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.

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 cash basis financial position of the Peninsula Library and Historical Society, Summit County, as of December 31, 2019 and 2018, and its changes in cash basis financial position and its cash flows, for the years then ended in accordance with the basis of accounting as described in Note 2.

***Basis of Accounting***


We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of PLHS. 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 May 22, 2020, on our consideration of PLHS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PLHS's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

May 22, 2020



**Peninsula Library and Historical Society, Summit County**

*Statements of Financial Position - Cash Basis*

*As of December 31, 2019 and 2018*

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	<u>2019</u>	<u>2018</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	<u>\$ 266,263</u>	<u>\$ 209,463</u>
<i>Total Assets</i>	<u><u>\$ 266,263</u></u>	<u><u>\$ 209,463</u></u>
<b>Net Assets</b>		
Without Donor Restrictions	<u>\$ 266,263</u>	<u>\$ 209,463</u>
<i>Total Net Assets</i>	<u><u>\$ 266,263</u></u>	<u><u>\$ 209,463</u></u>

See accompanying notes to the basic financial statements

**Peninsula Library and Historical Society, Summit County**

*Statement of Activities and Changes in Net Assets - Cash Basis*

*For the Years Ended December 31, 2019 and 2018*

	Without Donor Restrictions	
	2019	2018
<b>Support and Revenue</b>		
Public Library Fund	\$ 345,674	\$ 330,833
Property and Other Local Taxes	116,278	114,122
Intergovernmental	11,497	11,385
Patron Fines and Fees	2,794	2,759
Interest and Investment Income	1,561	746
Miscellaneous	1,360	601
<i>Total Support and Revenue</i>	<u>479,164</u>	<u>460,446</u>
<b>Expenses:</b>		
<b>Program Expenses</b>		
Salaries	229,540	236,416
Employee Benefits	47,001	51,634
Purchased and Contractual Services	55,243	73,359
Library Materials and Information	39,036	37,142
Supplies	3,404	2,340
Rents and Leases	16,328	16,328
Utilities and Others	31,812	31,065
<i>Total Expenses</i>	<u>422,364</u>	<u>448,284</u>
<i>Change in Net Assets</i>	56,800	12,162
<i>Net Assets, Beginning of Year</i>	<u>209,463</u>	<u>197,301</u>
<i>Net Assets, End of Year</i>	<u>\$ 266,263</u>	<u>\$ 209,463</u>

See accompanying notes to the basic financial statements

**Peninsula Library and Historical Society, Summit County**

*Statement of Cash Flows - Cash Basis  
For The Years Ended December 31, 2019 and 2018*

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	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Increase/(Decrease) in Cash and Cash and Cash Equivalents	\$ 56,800	12,162
Cash and Cash Equivalents as of Beginning of Year	<u>209,463</u>	<u>197,301</u>
Cash and Cash Equivalents as of End of Year	<u>\$ 266,263</u>	<u>\$ 209,463</u>

See accompanying notes to the basic financial statements

**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019 and 2018*

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**Note 1 – Description of the Library and Reporting Entity**

The Peninsula Library and Historical Society (PLHS) opened in 1943 and was organized as an association library in 1946 under the laws of the State of Ohio. The PLHS has its own Board of Trustees of nine members who are appointed by the board's Nominating Committee. Appointments are for three-year terms and members serve without compensation. Under Ohio statutes, the PLHS is a corporation capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The PLHS also determines and operates under its own budget. The PLHS was organized under section 1713.28 of the Ohio Revised Code and is governed by the PLHS Code of Regulations. The administration of the day-to-day operations of the PLHS is the responsibility of the Director and financial accountability is the responsibility of the Fiscal Officer and the Deputy Fiscal Officer.

The PLHS is independent of any other library hierarchy, but has been a member of Clevnet since 2002. As an association library, PLHS has no independent taxing authority. State law would allow the designation of a taxing authority, but the PLHS service area is spread out over three communities (Boston Heights, Boston Township and Peninsula) and four school districts (Hudson, Revere, Nordon Hills and Woodridge). In 1984, the boards of both the PLHS and the Akron-Summit County Public Library (ASCPL) reached an agreement whereby ASCPL returns to PLHS the levy proceeds collected in our agreed upon service area.

The Friends of the Peninsula Library, Inc. is a not-for-profit organization with a self-appointing board. The PLHS is not financially accountable for the organization, nor does the PLHS approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the PLHS.

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

The Bordner-Peninsula Library Fund is a not-for-profit organization with a self-appointing board. The PLHS is not financially accountable for the organization, nor does the PLHS approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the PLHS.

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

**Note 2 - Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The PLHS' financial statements are prepared using the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.

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

**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019 and 2018*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

**B. Cash and Cash Equivalents**

Cash received by the PLHS is deposited in an interest-bearing checking account. Individual fund integrity is maintained through the PLHS' records. The PLHS' financial institution has completed a depository agreement with assets pledged as collateral. As an association library, PLHS is prohibited from participation in STAR Ohio.

At December 31, 2019, the carrying amount of PLHS' deposits was \$266,263 including undeposited cash-on-hand of \$200. The total bank balance was \$274,837, of which \$100,000 was invested in a certificate of deposit with Huntington Bank. The checking account and the certificate of deposit are insured by the Federal Deposit of Insurance Corporation (FDIC), up to \$250,000, while \$24,838 was covered by the Ohio Pooled Collateral System (OPCS) and \$12,424 was uninsured and uncollateralized. PLHS' financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

At December 31, 2018, the carrying amount of PLHS' deposits was \$209,463 including undeposited cash-on-hand of \$200. The total bank balance was \$217,754 of which \$100,000 was invested in a certificate of deposit with a term of 92 days with Huntington Bank. The checking account and the certificate of deposit are insured by the Federal Deposit of Insurance Corporation (FDIC).

PLHS has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to PLHS and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**C. Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019 and 2018*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

**D. Net Assets**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14 Not for Profit Entities (Topic 958) – *Presentation of Financial Statements of Not for Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. PLHS has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Under FASB issued ASU 2016-14 Not for Profit Entities (Topic 958), PLHS is required to report information regarding its financial position and activities according to two classes of net asset. A description of the two net asset categories follows:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the association. These net assets may be used at the discretion of PLHS management and board of directors.
- **Net assets with donor restrictions.** Net assets subject to stipulations imposed by donors and grantors. There were no net assets with donor restrictions at December 31, 2019 and 2018.

**E. Employer Contributions to Cost-Sharing Pension Plans**

The PLHS recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

**Note 3 – Availability and Liquidity**

The following represents PLHS’ financial assets at December 31, 2019 and 2018:

Financial assets at yearend:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$266,263	\$209,463
Financial assets available to meet general expenses over the next 12 months	\$266,263	\$209,463

**Note 4 - Property Taxes**

The State Library of Ohio defines the service areas of public libraries in terms of school districts. In Summit County, the libraries have reached a mutual understanding as to the definition of the PLHS “service area” to be Boston Heights, Boston Township, and Peninsula. This “service area” covers parts of four school districts, three of which have been assigned to ASCPL by the State Library (Woodridge, Nordonia Hills and Revere) and one which has not been (Hudson). While the Woodridge, Nordonia Hills and Revere areas of the PLHS “service area” pay taxes levied by ASCPL, the Hudson areas of the PLHS “service area” do not. PLHS and ASCPL reached an agreement in 1984 whereby ASCPL would return to PLHS any tax revenues generated in the areas subject to ASCPL taxation that also fall within the PLHS “service area.” Those taxing districts which fall into this joint agreement between ASCPL and PLHS are Summit County taxing districts 6, 8, 11, 12, 14, and 44.

**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019 and 2018

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**Note 4 – Property Taxes (continued)**

The County Fiscal Officer collects property tax on behalf of all taxing districts within the county, including those paying the ASCPL levy. The County Fiscal Officer periodically remits to ASCPL its portion of the taxes collected. Twice a year, ASCPL forwards to PLHS the levy proceeds collected in the mutually agreed upon “service area” subject to the ASCPL levy.

**Note 5 – Public Library Fund**

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The PLF was enacted in January 2008 by the State of Ohio, replacing the Library and Local Government Support Fund (LLGSF). The PLF was initially funded by 2.22% of all state tax income, which was distributed to each county monthly through the same equalization formula as the LLGSF.

In 2017, the Ohio General Assembly was forced to reduce the anticipated state spending for the fiscal year 2018-2019 biennium by more than \$1 billion as state revenues failed to meet projections. As a result, the Ohio Library Council (OLC) and its members advocated to protect state funding for Ohio’s public libraries through the Public Library Fund (PLF) and to not reduce the PLF percentage to 1.66%. The legislature responded by temporarily setting the PLF at 1.68% of the state’s General Revenue Fund (GRF) for the fiscal year 18-19 biennium. The Summit County Budget Commission allocates these funds to the PLHS based on a formula developed by the Library Trustees Council of Summit County. Factors included in the formula are population of a library’s service area, size of a library, number of library branches, circulation and per capital income.

**Note 6 - Risk Management**

The PLHS 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 2019 and 2018, the PLHS contracted with several companies for various types of insurance coverage as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Nationwide Insurance	Commercial Property	\$ 957,000
Nationwide Insurance	General Liability	1,000,000
Nationwide Insurance	Commercial Crime	5,000
Nationwide Insurance	Inland Marine	90,000
Nationwide Insurance	Vehicle	1,000,000
Utica National	Errors and Omissions	2,000,000
Ohio Farmers Insurance	Library Officials	8,000
Ohio Farmers Insurance	Fidelity and Deposit	2,200

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

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

**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019 and 2018*

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**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or 800-222-7377, or by visiting the OPERS website at <https://www.opers.org/investments/cafr.shtml>.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2019 and 2018, members in the state and local divisions contributed 10% of covered payroll. The PLHS employed no public safety members and no law enforcement members in 2019 or 2018. The PLHS' contribution rate for state and local members in 2019 and 2018 was 14% of covered payroll.

The PLHS' required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2019, 2018 and 2017 were \$31,089, \$33,098 and \$32,575, respectively. The full amount has been contributed for each year. There were no contributions to the member-directed plan for 2019 and 2018.

**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 years 2019 and 2018 and 1% during the year 2017.

The PHLS' contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2019, 2018 and 2017 were \$0, \$0 and \$2,237, respectively. The full amount has been contributed for those years.



**Peninsula Library & Historical Society**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019 and 2018*

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**Note 9 – Leases**

The Library leases two rooms for its museum and leases the copier/scanner/printer in the Library. The Library disbursed \$18,077 to pay lease costs for the year ended December 31, 2018. Future committed lease payments are as follows (amounts are rounded):

<u>Year</u>	<u>Amount</u>
2020	\$1,749
2021	1,804
2022	<u>1,920</u>
Total	<u>\$5,473</u>

**Note 10 – Contingent Liabilities**

The PLHS has no known contingent liabilities.

**Note 11 – Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the PLHS. The PLHS's investment portfolio has incurred significant decline in fair value, consistent with the general decline in the financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the PLHS' future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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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

Peninsula Library and Historical Society  
Summit County  
6105 Riverview Road  
Peninsula, Ohio 44264

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Peninsula Library and Historical Society, Summit County, (the "PLHS"), which comprise the statements of financial position – cash basis as of December 31, 2019 and 2018, and the related statements of support and revenue, expenses and changes in financial position – cash basis and the statements of cash flows – cash basis for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 22, 2020, wherein we noted the PLHS uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the PLHS.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

***Compliance and Other Matters***

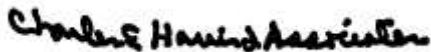
As part of reasonably assuring whether the PLHS's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial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

***Entity's Response to Finding***

The PLHS' response to the finding identified in our audit is described in the Corrective Action Plan. We did not audit the PLHS' response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***  
May 22, 2020

**PENINSULA LIBRARY AND HISTORICAL SOCIETY  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
December 31, 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2019-001**

**Material Weakness**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14 Not for Profit Entities (Topic 958) – *Presentation of Financial Statements of Not for Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The amendments to this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

In the report filed on the Hinkle System for the year ended December 31, 2019, the Peninsula Library and Historical Society (PHLS) did not implement this update. The audit report has adjusted the presentation of the financial statement ending December 31, 2019 to comply with the FASB issued ASU 2016-14 Not for Profit Entities (Topic 958). The ASU has been applied retrospectively to all periods presented.

The Board of Trustees and management should review the standards and ensure preparation of its financial statements in accordance with the latest FASB updates. Implementation of these procedures would help ensure accurate and timely financial statements in accordance with the above requirements are available to the PLHS' community.

**Official's Response:**

See Corrective Action Plan.

**PENINSULA LIBRARY AND HISTORICAL SOCIETY  
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management  
DECEMBER 31, 2019**

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITONAL INFORMATION
2018 - 001	Material Weakness- non-implementation of FASB issued ASU 2016-14 Not for Profit Entities (Topic 958)	Not corrected	See Corrective Action Plan

**PENINSULA LIBRARY AND HISTORICAL SOCIETY  
SUMMIT COUNTY, OHIO**

**CORRECTIVE ACTION PLAN – Prepared by Management  
December 31, 2019**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2019-001	The Fiscal Officer has signed up with the Financial Accounting Standards Board (FASB) to be alerted every time a new update is issued. Also, the step of checking FASB for any updates has been added to the self-prepared annual checklist used by the Fiscal Officer and the Deputy Fiscal Officer so that it can be ascertained if any changes have occurred which impact the library's financial reporting.	Immediately	Randolph S. Bergdorf, Director/Fiscal Officer

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# OHIO AUDITOR OF STATE KEITH FABER



**PENINSULA LIBRARY AND HISTORICAL SOCIETY**

**SUMMIT COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 28, 2020**