



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

GRANVILLE PUBLIC LIBRARY
LICKING COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Granville Public Library
217 East Broadway Boulevard
Granville, Ohio 43023

We have reviewed the *Independent Auditor's Report* of the Granville Public Library, Licking County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2019 through December 31, 2020. 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 Granville Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 20, 2021

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Granville Public Library
Licking County, Ohio
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For the Years Ended 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Granville Public Library
Licking County
217 East Broadway Boulevard
Granville, Ohio 43023

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Granville Public Library, Licking County, Ohio (the Library).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above 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, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Library, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 10 to the 2020 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. 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 June 28, 2021, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Piketon, Ohio
June 28, 2021

**GRANVILLE PUBLIC LIBRARY
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 412,229	\$ -	\$ -	\$ -	\$ 412,229
Public Library	701,784	-	-	-	701,784
Intergovernmental	92,264	-	-	-	92,264
Patron Fines and Fees	1,580	-	-	-	1,580
Contributions, Gifts and Donations	33,490	-	-	-	33,490
Earnings on Investments	13,842	173,874	-	72,097	259,813
Miscellaneous	9,880	-	-	-	9,880
Total Cash Receipts	<u>1,265,069</u>	<u>173,874</u>	<u>-</u>	<u>72,097</u>	<u>1,511,040</u>
Cash Disbursements:					
Current:					
Library Services	-	85,449	-	35,292	120,741
Public Services and Programs	1,116,768	-	-	-	1,116,768
Total Cash Disbursements	<u>1,116,768</u>	<u>85,449</u>	<u>-</u>	<u>35,292</u>	<u>1,237,509</u>
Excess of Receipts Over/ (Under) Disbursements	148,301	88,425	-	36,805	273,531
Other Financing Receipts/ (Disbursements):					
Transfers In	-	-	21,000	-	21,000
Transfers Out	(21,000)	-	-	-	(21,000)
Total Other Financing Receipts/ (Disbursements)	<u>(21,000)</u>	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balances	127,301	88,425	21,000	36,805	273,531
Fund Cash Balances, January 1	1,644,136	900,416	29,000	245,762	2,819,314
Fund Cash Balances, December 31	<u>\$ 1,771,437</u>	<u>\$ 988,841</u>	<u>\$ 50,000</u>	<u>\$ 282,567</u>	<u>\$ 3,092,845</u>

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

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Granville Public Library, Licking County, (the Library) as a body corporate and politic. The Board appoints a nine-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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, which is organized on a fund type basis.

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 Funds 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:

Gift Fund This fund receives contributions and donations restricted for specified purposes.

Board Decision Fund This fund is used to handle public money that the Board wants to invest for long-term purposes.

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:

Building and Repair Fund This fund is used for capital outlay expenditures related to facilities and repairs of facilities.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Library had the following significant permanent fund:

Charles G. and Kathryn Marie Sellers Endowment Fund This fund received a bequest of \$100,000. Income is used as directed by the Board.

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 (D). 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 (D) permit.

Budgetary Process

The Board must annually 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 2020 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. Certificates of deposits are valued at cost. The Licking County Foundation is an investment pool, which allows entities within the County to pool their funds for investment purposes. Investments in the Licking County Foundation are valued at the share price, which is the price the investment could be sold for on December 31, 2020.

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.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

Fund Type	2020 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,183,237	\$ 1,265,069	\$ 81,832
Special	-	173,873	173,873
Capital	-	21,000	21,000
Permanent	-	72,098	72,098
Total	\$ 1,183,237	\$ 1,532,040	\$ 348,803

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,277,329	\$ 1,137,768	\$ 139,561
Special	87,512	85,449	2,063
Permanent	39,078	35,292	3,786
Total	<u>\$ 1,403,919</u>	<u>\$ 1,258,509</u>	<u>\$ 145,410</u>

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:

	<u>2020</u>
Cash Management Pool	
Demand Deposits	<u>2,147,330</u>
Total Deposits	<u>2,147,330</u>
Licking County Foundation	<u>945,515</u>
Total Investments	<u>945,515</u>
Total Carrying amounts of deposits and investments held in the Pool	<u>\$ 3,092,845</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through 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.

Investments

Investments in Licking County Foundation are not evidenced by securities that exist in physical or book-entry form.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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, 2020.

Note 7 – 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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 8 – Risk Management

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.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 9 – Fund Balances

Included in fund balance are amounts the Library cannot spend, including the unexpendable corpus of the gift permanent funds. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>Permanent</u>
Nonspendable:	
Corpus	100,600
Total	<u>100,600</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of 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.

Note 10 – 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The Library’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Library’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Library received CARES Act funding. Of the amounts received, \$0 was sub-granted to other governments and organization \$0 was returned to the granting agency, and \$0 was spent on-behalf of other governments. These amounts are reflected as general government expenditures in the Coronavirus Relief Special cost center on the accompanying financial statements.

During 2020, the Library received \$12,000 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Cost Center.

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**GRANVILLE PUBLIC LIBRARY
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 399,903	\$ -	\$ -	\$ -	\$ 399,903
Public Library	703,096	-	-	-	703,096
Intergovernmental	51,547	-	-	-	51,547
Patron Fines and Fees	8,080	-	-	-	8,080
Contributions, Gifts and Donations	42,800	-	-	-	42,800
Earnings on Investments	46,706	109,190	-	42,556	198,452
Miscellaneous	3,940	-	-	-	3,940
	<u>1,256,072</u>	<u>109,190</u>	<u>-</u>	<u>42,556</u>	<u>1,407,818</u>
Total Cash Receipts					
	<u>1,256,072</u>	<u>109,190</u>	<u>-</u>	<u>42,556</u>	<u>1,407,818</u>
Cash Disbursements:					
Current:					
Library Services	-	5,163	-	1,555	6,718
Public Services and Programs	1,159,549	-	-	-	1,159,549
	<u>1,159,549</u>	<u>5,163</u>	<u>-</u>	<u>1,555</u>	<u>1,166,267</u>
Total Cash Disbursements					
	<u>1,159,549</u>	<u>5,163</u>	<u>-</u>	<u>1,555</u>	<u>1,166,267</u>
Excess of Receipts Over/ (Under) Disbursements	96,523	104,027	-	41,001	241,551
Other Financing Receipts/ (Disbursements):					
Transfers In	21,000	-	-	-	21,000
Transfers Out	-	-	(21,000)	-	(21,000)
	<u>21,000</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Receipts/ (Disbursements)					
	<u>21,000</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Cash Balances	117,523	104,027	(21,000)	41,001	241,551
Fund Cash Balances, January 1, <i>as restated, see note 9</i>	1,526,613	796,389	50,000	204,761	2,577,763
	<u>1,526,613</u>	<u>796,389</u>	<u>50,000</u>	<u>204,761</u>	<u>2,577,763</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	100,600	100,600
Restricted	-	595,068	29,000	145,162	769,230
Committed	-	305,348	-	-	305,348
Unassigned	1,644,136	-	-	-	1,644,136
	<u>1,644,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,644,136</u>
Fund Cash Balances, December 31					
	<u>\$ 1,644,136</u>	<u>\$ 900,416</u>	<u>\$ 29,000</u>	<u>\$ 245,762</u>	<u>\$ 2,819,314</u>

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

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Granville Public Library, Licking County, (the Library) as a body corporate and politic. The Board appoints a nine-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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, which is organized on a fund type basis.

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 Funds 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:

Gift Fund This fund receives contributions and donations restricted for specified purposes.

Board Decision Fund This fund is used to handle public money that the Board wants to invest for long-term purposes.

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:

Building and Repair Fund This fund is used for capital outlay expenditures related to facilities and repairs of facilities.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Library had the following significant permanent fund:

Charles G. and Kathryn Marie Sellers Endowment Fund This fund received a bequest of \$100,000. Income is used as directed by the Board.

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 (D). 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 (D) permit.

Budgetary Process

The Board must annually 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 2019 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. Certificates of deposits are valued at cost. The Licking County Foundation is an investment pool, which allows entities within the County to pool their funds for investment purposes. Investments in the Licking County Foundation are valued at the share price, which is the price the investment could be sold for on December 31, 2019.

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.

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.

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2020 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 1,175,831	\$ 1,277,072	\$ 101,241
Special	-	109,190	109,190
Capital Projects	-	-	-
Permanent	-	42,556	42,556
Total	<u>\$ 1,175,831</u>	<u>\$ 1,428,818</u>	<u>\$ 252,987</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 1,236,681	\$ 1,159,549	\$ 77,132
Special	5,163	5,163	-
Capital Projects	21,000	21,000	-
Permanent	5,000	1,555	3,445
Total	<u>\$ 1,267,844</u>	<u>\$ 1,187,267</u>	<u>\$ 80,577</u>

Granville Public Library
Licking County
Notes to the Financial Statements
For the Year Ended December 31, 2019

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:

	<u>2019</u>
Demand deposits	534,370
Certificates of deposits	1,444,114
Total deposits	<u>1,978,484</u>
Licking County Foundation	840,830
Total investments	<u>840,830</u>
Total deposits and investments	<u>\$ 2,819,314</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through 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.

Investments

Investments in Licking County Foundation 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.

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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.

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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, 2019.

Note 7 – 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 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 8 – Risk Management

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.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 9 – Beginning Balance Restatement

General Fund Balance, January 1, 2019- As previously stated	\$ 1,526,463
Void checks from prior period	<u>150</u>
General Fund Balance, January 1, 2019- Restated	<u><u>\$ 1,526,613</u></u>



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

Granville Public Library
Licking County
217 East Broadway Boulevard
Granville, Ohio 43023

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 cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Granville Public Library, Licking County, (the Library) and have issued our report thereon dated June 28, 2021, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Piketon, Ohio
June 28, 2021

OHIO AUDITOR OF STATE KEITH FABER



GRANVILLE PUBLIC LIBRARY

LICKING 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 9/2/2021

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