



OHIO AUDITOR OF STATE
KEITH FABER



**TUSCARAWAS COUNTY PUBLIC LIBRARY
TUSCARAWAS COUNTY
DECEMBER 31, 2020 AND 2019**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis – For the year Ended December 31, 2020	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2020	10
Statement of Activities – Cash Basis – For the Year Ended December 31, 2020	11
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balance Governmental Funds – December 31, 2020	12
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances Governmental Funds – For the Year Ended December 31, 2020	13
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund – For the Year Ended December 31, 2020	14
Notes to the Basic Financial Statements – For the Year Ended December 31, 2020	15
Management's Discussion and Analysis – For the year Ended December 31, 2019	33
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2019	40
Statement of Activities – Cash Basis – For the Year Ended December 31, 2019	41
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balance Governmental Funds – December 31, 2019	42
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances Governmental Funds – For the Year Ended December 31, 2019	43
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis General Fund – For the Year Ended December 31, 2019	44
Notes to the Basic Financial Statements – For the Year Ended December 31, 2019	45
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	63

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



PO Box 828
Athens, Ohio 45701
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Tuscarawas County Public Library
Tuscarawas County
121 Fair Avenue NW
New Philadelphia, Ohio 44663

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Tuscarawas County Public Library, Tuscarawas County, Ohio (the Library), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2020 and 2019, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Other Matters

We applied no procedures to Management's Discussion & Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 22, 2021

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The management's discussion and analysis of the Tuscarawas County Public Library ("the Library") financial performance provides an overview of the Library's financial activities for the year ended December 31, 2020, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2020 are as follows:

- The renovation project on the main library began in late 2018 and finished in early 2020. The completed cost for the entire project was about \$5 million.
- During 2020, total net position decreased as disbursements outpaced receipts, despite an increase in receipts and a significant decrease in disbursements from the prior year. This change was primarily related to significant project disbursements in 2019 for the renovation of the main library.
- Property taxes receipts increased in 2020 due to increased property values.
- The increase in operating grants, contributions and interest was a result of the receipt of CARES Act funding provided to assist the Library with costs incurred in response to the COVID-19 pandemic.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular purpose. These statements present financial information by fund, presenting the major funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the governmental-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present the financial statements on a cash basis of accounting. This approach is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable), and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2020, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well, such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, and the need for continued growth in the major local revenue sources such as property taxes and Public Library Fund (PLF).

In the statement of net position and the statement of activities, the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and the library materials and information. These services are primarily funded by property taxes and PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds, not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that restricted use funds are being spent for their intended purposes. All of the Library's funds are accounted for as governmental funds.

Governmental Funds The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the general fund and the building and repair fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2020 compared to 2019 on a cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2020	2019	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,600,400	\$1,593,904	\$6,496
Cash and Cash Equivalents with Fiscal Agent	0	79,500	(79,500)
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	89,280	88,330	950
<i>Total Assets</i>	\$1,689,680	\$1,761,734	(\$72,054)
Net Position			
Restricted for:			
Permanent Fund Purpose:			
Expendable	\$933	\$1,375	(\$442)
Nonexpendable	89,280	88,330	950
Other Purposes	15,606	10,955	4,651
Unrestricted	1,583,861	1,661,074	(77,213)
<i>Total Net Position</i>	\$1,689,680	\$1,761,734	(\$72,054)

During 2020, total net position decreased as disbursements outpaced receipts, despite an increase in receipts and a significant decrease in disbursements from the prior year. This change was primarily related to significant project disbursements in 2019 for the renovation of the main library. The renovation was completed in early 2020.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

Table 2 reflects the changes in net position in 2020 compared to 2019 on a cash basis:

(Table 2)
Change in Net Position

	Governmental Activities		
	2020	2019	Change
Receipts			
<i>Program Receipts</i>			
Charges for Services and Sales	\$14,765	\$37,779	(\$23,014)
Operating Grants, Contributions and Interest	131,547	6,727	124,820
Capital Grants and Contributions	0	41,500	(41,500)
<i>Total Program Receipts</i>	<u>146,312</u>	<u>86,006</u>	<u>60,306</u>
<i>General Receipts and Contributions to Permanent Fund</i>			
General Receipts:			
Property Taxes	1,740,421	1,633,780	106,641
Grants and Entitlements not Restricted to Specific Programs	1,561,307	1,570,776	(9,469)
Unrestricted Gifts and Contributions	1,619	3,318	(1,699)
Earnings on Investments	8,656	36,064	(27,408)
Miscellaneous	19,879	12,261	7,618
Contributions to Permanent Fund	950	600	350
<i>Total General Receipts and Contributions to Permanent Fund</i>	<u>3,332,832</u>	<u>3,256,799</u>	<u>76,033</u>
<i>Total Receipts</i>	<u>3,479,144</u>	<u>3,342,805</u>	<u>136,339</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	2,046,310	2,060,318	(14,008)
Collection Development and Processing	344,720	341,123	3,597
Support Services:			
Facilities Operation and Maintenance	69,803	60,976	8,827
Information Services	34,529	45,789	(11,260)
Business Administration	107,990	131,107	(23,117)
Capital Outlay	597,303	4,099,891	(3,502,588)
Debt Service:			
Principal Retirement	268,329	260,200	8,129
Interest and Fiscal Charges	82,214	107,582	(25,368)
<i>Total Disbursements</i>	<u>3,551,198</u>	<u>7,106,986</u>	<u>(3,555,788)</u>
Change in Net Position	(72,054)	(3,764,181)	3,692,127
Net Position Beginning of Year	<u>1,761,734</u>	<u>5,525,915</u>	<u>(3,764,181)</u>
Net Position End of Year	<u>\$1,689,680</u>	<u>\$1,761,734</u>	<u>(\$72,054)</u>

The most significant portion of total receipts consists of property taxes and grants and entitlements receipts. Property taxes increased due to increased property values.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The increase in program receipts was primarily due to an increase in operating grants, contributions and interest as a result of the receipt of CARES Act funding provided to assist the Library with costs incurred in response to the COVID-19 pandemic.

Disbursements for library services represent the costs of running the Library. Disbursements for support services represent the overhead costs of running the Library and the support services provided for the other Library activities. Disbursements for capital outlay represent costs for capital projects for the Library. Total disbursements decreased in 2020, mainly due to a decrease in capital outlay related to the Library renovation project. The most significant portion of the renovation project costs were paid in 2019, with the remainder being paid in 2020.

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are library services, support services, capital outlay, and debt service. The next two columns of the statement, under "Program Cash Receipts," identify amounts paid by those who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The "Net (Disbursements) Receipts and Changes in Net Position" column compares the program receipts to the cost of the services. This net cost amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Disbursements				
Current:				
Library Services:				
Public Services and Programs	\$2,046,310	\$2,019,704	\$2,060,318	\$2,015,825
Collection Development and Processing	344,720	327,884	341,123	341,110
Support Services:				
Facilities Operation and Maintenance	69,803	58,185	60,976	60,976
Information Services	34,529	34,529	45,789	45,789
Business Administration	107,990	73,811	131,107	131,107
Capital Outlay	597,303	540,230	4,099,891	4,058,391
Debt Service:				
Principal Retirement	268,329	268,329	260,200	260,200
Interest and Fiscal Charges	82,214	82,214	107,582	107,582
<i>Total Disbursements</i>	<i>\$3,551,198</i>	<i>\$3,404,886</i>	<i>\$7,106,986</i>	<i>\$7,020,980</i>

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2020
Unaudited

The Library's Funds

Total governmental funds had a decrease in fund balance as disbursements continued to outpace receipts, despite an increase in receipts and a large decrease in disbursements. The large decrease in disbursements was primarily due to the renovation project disbursements finishing out in 2020, after the most significant portion of the project cost was paid in 2019. The fund balance of the general fund increased in 2020, primarily due to an increase in receipts, mainly property taxes, despite an increase in transfers out. The increase in property tax receipts was due to increased property values. The fund balance of the building and repair fund decreased in 2020 as disbursements continued to outpace receipts, despite an increase in transfers in and a large decrease in disbursements for the renovation project.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During 2020, the Library's general fund budget was amended once. Actual receipts were higher than final budgeted receipts, primarily due to conservative estimates and higher than expected property taxes and Public Library Fund distributions. Final budgeted disbursements and other financing uses for 2020 were higher than actual disbursements and other financing uses due to conservative spending. Maintaining actual disbursements below projected levels allowed the Library to achieve a cash increase to the general fund during this period.

Debt Administration

In 2018, the Library issued a \$3,000,000 Library Facilities Note for the purpose of renovating the main library. See Note 9 for additional information. At December 31, 2020, the Library also had a lease for copiers. See Note 10 for additional information.

Current Issues

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue. Even though the Library has stable funds, it is dependent on funding from the State to remain in this position.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Nicole Stoldt, Fiscal Officer, Tuscarawas County Public Library, 121 Fair Avenue NW, New Philadelphia, Ohio 44663.

Basic Financial Statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Net Position - Cash Basis
December 31, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,600,400
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	89,280
<i>Total Assets</i>	\$1,689,680
Net Position	
Restricted for:	
Permanent Fund Purpose:	
Expendable	\$933
Nonexpendable	89,280
Other Purposes	15,606
Unrestricted	1,583,861
<i>Total Net Position</i>	\$1,689,680

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$2,046,310	\$14,765	\$11,841	(\$2,019,704)
Collection Development and Processing	344,720	0	16,836	(327,884)
Support Services:				
Facilities Operation and Maintenance	69,803	0	11,618	(58,185)
Information Services	34,529	0	0	(34,529)
Business Administration	107,990	0	34,179	(73,811)
Capital Outlay	597,303	0	57,073	(540,230)
Debt Service:				
Principal Retirement	268,329	0	0	(268,329)
Interest and Fiscal Charges	82,214	0	0	(82,214)
<i>Total Governmental Activities</i>	<u>\$3,551,198</u>	<u>\$14,765</u>	<u>\$131,547</u>	<u>(3,404,886)</u>
General Receipts:				
Property Taxes Levied for General Purposes				1,740,421
Grants and Entitlements not Restricted to Specific Programs				1,561,307
Unrestricted Gifts and Contributions				1,619
Earnings on Investments				8,656
Miscellaneous				19,879
Contributions to Permanent Fund				<u>950</u>
<i>Total General Receipts and Contributions to Permanent Fund</i>				<u>3,332,832</u>
Change in Net Position				(72,054)
<i>Net Position Beginning of Year</i>				<u>1,761,734</u>
<i>Net Position End of Year</i>				<u>\$1,689,680</u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2020

	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$600,125	\$809,600	\$190,675	\$1,600,400
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	89,280	89,280
<i>Total Assets</i>	<u>\$600,125</u>	<u>\$809,600</u>	<u>\$279,955</u>	<u>\$1,689,680</u>
Fund Balances				
Nonspendable	\$0	\$0	\$89,280	\$89,280
Restricted	0	0	16,539	16,539
Assigned	50,125	809,600	174,136	1,033,861
Unassigned	550,000	0	0	550,000
<i>Total Fund Balances</i>	<u>\$600,125</u>	<u>\$809,600</u>	<u>\$279,955</u>	<u>\$1,689,680</u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$1,740,421	\$0	\$0	\$1,740,421
Intergovernmental	1,561,307	0	128,000	1,689,307
Patron Fines and Fees	14,765	0	0	14,765
Contributions, Gifts and Donations	0	0	5,425	5,425
Earnings on Investments	8,656	0	691	9,347
Miscellaneous	19,879	0	0	19,879
<i>Total Receipts</i>	<u>3,345,028</u>	<u>0</u>	<u>134,116</u>	<u>3,479,144</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,035,018	0	11,292	2,046,310
Collection Development and Processing	327,671	0	17,049	344,720
Support Services:				
Facilities Operation and Maintenance	58,185	0	11,618	69,803
Information Services	34,529	0	0	34,529
Business Administration	73,850	0	34,140	107,990
Capital Outlay	109,969	431,916	55,418	597,303
Debt Service:				
Principal Retirement	0	268,329	0	268,329
Interest and Fiscal Charges	0	82,214	0	82,214
<i>Total Disbursements</i>	<u>2,639,222</u>	<u>782,459</u>	<u>129,517</u>	<u>3,551,198</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>705,806</u>	<u>(782,459)</u>	<u>4,599</u>	<u>(72,054)</u>
Other Financing Sources (Uses)				
Transfers In	0	673,504	0	673,504
Transfers Out	(673,504)	0	0	(673,504)
<i>Total Other Financing Sources (Uses)</i>	<u>(673,504)</u>	<u>673,504</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	32,302	(108,955)	4,599	(72,054)
<i>Fund Balances Beginning of Year</i>	<u>567,823</u>	<u>918,555</u>	<u>275,356</u>	<u>1,761,734</u>
<i>Fund Balances End of Year</i>	<u><u>\$600,125</u></u>	<u><u>\$809,600</u></u>	<u><u>\$279,955</u></u>	<u><u>\$1,689,680</u></u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,625,000	\$1,625,000	\$1,740,421	\$115,421
Intergovernmental	1,668,700	1,419,500	1,561,307	141,807
Patron Fines and Fees	40,715	34,650	14,765	(19,885)
Earnings on Investments	32,900	28,000	8,656	(19,344)
Miscellaneous	1,400	1,200	19,879	18,679
<i>Total Receipts</i>	<i>3,368,715</i>	<i>3,108,350</i>	<i>3,345,028</i>	<i>236,678</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,097,975	2,097,975	2,041,046	56,929
Collection Development and Processing	381,250	381,250	343,097	38,153
Support Services:				
Facilities Operation and Maintenance	75,858	75,858	58,885	16,973
Information Services	46,091	46,091	40,307	5,784
Business Administration	98,278	98,278	76,889	21,389
Capital Outlay	148,499	148,499	129,123	19,376
<i>Total Disbursements</i>	<i>2,847,951</i>	<i>2,847,951</i>	<i>2,689,347</i>	<i>158,604</i>
<i>Excess of Receipts Over Disbursements</i>	<i>520,764</i>	<i>260,399</i>	<i>655,681</i>	<i>395,282</i>
Other Financing Uses				
Transfers Out	(677,500)	(677,500)	(673,504)	3,996
<i>Net Change in Fund Balance</i>	<i>(156,736)</i>	<i>(417,101)</i>	<i>(17,823)</i>	<i>399,278</i>
<i>Fund Balance Beginning of Year</i>	<i>500,000</i>	<i>500,000</i>	<i>500,000</i>	<i>0</i>
Prior Year Encumbrances Appropriated	67,823	67,823	67,823	0
<i>Fund Balance End of Year</i>	<i>\$411,087</i>	<i>\$150,722</i>	<i>\$550,000</i>	<i>\$399,278</i>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 1 – Description of the Library and Reporting Entity

The Tuscarawas County Public Library (“the Library”) was organized as a county district public library in 1948 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Tuscarawas County Commissioners and the Tuscarawas County Court of Common Pleas. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, possessing and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Library Trustees appoints a Director, Fiscal Officer, and Deputy Fiscal Officer.

Under the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Library is considered a related organization to Tuscarawas County.

There is no potential for the Library to provide a financial benefit to or impose a financial burden on the County Commissioners, nor can the County Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. The Library is fiscally independent of the County, although the County Commissioners serve in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax, the rate, and the purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the County Commissioners must place the levy on the ballot.

The Library participates in a public entity risk pool, the Stark County Schools Council of Government (“the Council”). Note 12 to the basic financial statements provides additional information for this entity.

The Friends of the Tuscarawas County Public Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not receive amounts from the Friends of the Tuscarawas County Public Library that the State would consider significant. 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

As discussed further in Note 2, the financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (“GAAP”). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (“GASB”) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library’s accounting policies are as follows.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the Library. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions; however, the Library has only governmental activities; therefore, no business-type activities are presented.

The statement of net position presents the cash balances of the governmental activities of the Library at year-end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service. Program receipts include charges paid by the recipient of the program's goods or services, grants, and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

Fund Financial Statements During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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 Library's funds are all classified as governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library's major governmental funds:

General Fund The general fund accounts for and reports all financial resources except those required to be 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.

Building and Repair Fund The building and repair fund accounts for and reports revenues derived from Board approved transfers from the general fund. These monies are assigned to building repair and renovation projects.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

The other governmental funds of the Library account for and report grants, donations, and other resources whose use is restricted or assigned to a particular purpose.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability 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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the Library's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Library are presented on the financial statements as cash equivalents.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

During 2020, the Library invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Library measures their investment in STAR Ohio 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.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2020 amounted to \$8,656, \$5,336 of which was assigned from other Library funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent the \$200 bequest from the estate of Rev. T. W. Hoernemann and \$89,080 in the First Steps to Literacy Fund established in 2008. The T. W. Hoernemann Endowment Fund was established in October 1989 to benefit the Library. Only the interest may be spent for Library use, not the original \$200 bequest. The interest earned from the First Steps to Literacy Fund is intended to provide a free book to newborn babies born in Tuscarawas County.

Inventory and Prepays

The Library reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their 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).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for notes and other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for grant purposes and those restricted by the donor purpose.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

Fund balance is divided into four classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) they employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State statute. State statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements, and changes in fund balance – budget and actual – budgetary basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$50,125 for the general fund.

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted previously, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$872 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$102,628 of the Library's total bank balance of \$1,227,017 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the Library's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral rate of 50 percent resulting in the uninsured and uncollateralized balance.

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

Eligible securities pledged to the Library 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 moneys 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.

Investments

As of December 31, 2020, the Library had an investment in STAR Ohio in the amount of \$486,986 with an average maturity of 55.8 days. The Library measures its investment in STAR Ohio at the net asset value per share provided by STAR Ohio.

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor’s. The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk The Library places no limit on the amount it may invest in any one issuer.

Note 5 – Grants-in-Aid and Property 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

Property taxes include amounts levied against all real and public utility property located in the Library’s taxing district. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2020, was \$1.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Property	\$1,245,786,980
Public Utility Personal Property	<u>250,175,720</u>
Total	<u><u>\$1,495,962,700</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 6 – Risk Management

Property and Liability Insurance

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Library contracted for various types of insurance coverages as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Cincinnati Insurance Company	Commercial Property	\$4,281,000
	General Liability	2,000,000
	Commercial Crime	1,000,000
	Inland Marine	93,038
	Vehicle	1,000,000
	Errors and Omissions	1,000,000
	Library Officials	1,000,000

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.

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.

Employee Health, Dental, and Vision

The Library has contracted with the Stark County Schools Council of Government (the Council) Health Benefits Program to provide employee medical/surgical, dental, and vision benefits. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays 75 percent of the premium for full-time employee medical coverage and 50 percent of the premium for part-time employee medical coverage. Employees pay the remainder of the premium for medical coverage, 100 percent of the premium for dental coverage, and 100 percent of the premium for vision coverage. The following table shows the total monthly premiums for 2020:

<u>Insurance</u>	<u>Family</u>	<u>Single</u>
Medical	\$1,931	\$795
Dental	231	93
Vision	49	20

Tuscarawas County Public Library
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 – Defined Benefit Pension Plan

The Statewide retirement system provides both pension and benefits and other postemployment benefits (OPEB).

Ohio Public Employees Retirement System

Plan Description – Library employees participate 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, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS’ Comprehensive Annual Financial Report referenced previously for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for twelve months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Postemployment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the Library’s contractually required contribution was \$180,215 for the traditional plan, \$11,762 for the combined plan, and \$2,524 for the member-directed plan.

Note 8 – Defined Benefit OPEB Plans

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of sixty, or generally thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced subsequently for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, State and local employers contributed at a rate of 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$1,010 for 2020.

Note 9 – Debt

A summary of the note transactions for the year ended December 31, 2020, follows:

	Principal Outstanding 12/31/2019	Additions	Deductions	Principal Outstanding 12/31/2020	Amount Due in One Year
Governmental Activities					
<i>Note from Direct Placement:</i>					
2018 Library Facilities Note - Term	<u>\$2,739,800</u>	<u>\$0</u>	<u>\$268,329</u>	<u>\$2,471,471</u>	<u>\$276,712</u>

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

On September 25, 2018, the Library issued a \$3,000,000 direct placement term note for the purpose of renovating and improving Library facilities. The note was issued for a 10 year period with final maturity at December 1, 2028. Principal payments and interest payments of 3.1 percent per year are due on June 1 and December 1 of each year, until the principal amount is paid. Public Library Fund receipts have been pledged for the payment of principal and interest. The note will be paid from the building and repair fund.

Optional Redemption The note is subject to redemption at the option of the Library, either in whole or in part, on any date after June 1, 2023, at a redemption price equal to 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

Mandatory Sinking Fund Redemption The term note maturing on December 1, 2028, is subject to mandatory sinking fund redemption requirements at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on the following dates and in the principal amounts set forth as follows:

Date	Issue \$3,000,000
6/1/2021	\$137,292
12/1/2021	139,420
6/1/2022	141,581
12/1/2022	143,775
6/1/2023	146,004
12/1/2023	148,267
6/1/2024	150,565
12/1/2024	152,899
6/1/2025	155,269
12/1/2025	157,675
6/1/2026	160,120
12/1/2026	162,601
6/1/2027	165,122
12/1/2027	167,681
6/1/2028	170,280
Total	\$2,298,551
<i>Stated Maturity</i>	<i>12/1/2028</i>

The remaining principal amount of the term note (\$172,920) will mature at the stated maturity.

Principal and interest requirements to retire the note outstanding at December 31, 2020, are as follows:

Year Ending December 31	Governmental Activities	
	Term Note from Direct Placement	
	Principal	Interest
2021	\$276,712	\$74,488
2022	285,356	65,843
2023	294,271	56,928
2024	303,464	47,735
2025	312,944	38,255
2026-2028	998,724	54,876
Total	\$2,471,471	\$338,125

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 10 – Leases

The Library leases copiers under noncancelable leases. The Library disbursed \$10,270 to pay lease costs for the year ended December 31, 2020. Future lease payments are as follows:

Year	Amount
2021	\$10,270
2022	10,270
2023	10,270
2024	4,279
Total	<u>\$35,089</u>

Note 11 – Contingent Liabilities

Grants

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

Litigation

The Library is not party to legal proceedings.

Note 12 – Public Entity Risk Pool

The Stark County Schools Council of Government (the Council) is a shared risk pool which is governed by an assembly which consists of one representative from each participating member. Only the nineteen original members from Stark County school districts at the time of the formation of the Council have a vote in the assembly. The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program, which is a shared risk pool. Financial information can be obtained from the Stark County Schools Council of Governments, 6057 Strip Avenue Northwest, North Canton, Ohio 44720.

Note 13 – Interfund Transfers

During 2020, the general fund transferred \$673,504 to the building and repair fund to provide for debt payments and to finance capital projects.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2020*

Note 14 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
First Steps to Literacy	\$0	\$0	\$89,080	\$89,080
T.W. Hoernemann Endowment	0	0	200	200
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>89,280</u>	<u>89,280</u>
<u>Restricted for:</u>				
Permanent Fund Purposes	0	0	933	933
<u>Other Purposes:</u>				
Donor Purposes	0	0	5,424	5,424
Connect Ohio	0	0	1,172	1,172
Youth Programs	0	0	3,809	3,809
COVID-19 Response	0	0	5,201	5,201
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>16,539</u>	<u>16,539</u>
<u>Assigned to:</u>				
Library Services	0	0	3,075	3,075
Capital Outlay	0	809,600	171,061	980,661
<u>Purchases on Order:</u>				
Supplies	3,039	0	0	3,039
Purchased Services	6,728	0	0	6,728
Library Materials and Information	21,204	0	0	21,204
Capital Outlay	19,154	0	0	19,154
<i>Total Assigned</i>	<u>50,125</u>	<u>809,600</u>	<u>174,136</u>	<u>1,033,861</u>
Unassigned	<u>550,000</u>	<u>0</u>	<u>0</u>	<u>550,000</u>
Total Fund Balances	<u><u>\$600,125</u></u>	<u><u>\$809,600</u></u>	<u><u>\$279,955</u></u>	<u><u>\$1,689,680</u></u>

Note 15 – Encumbrances

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 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$50,125
Building and Repair	49,107
Other Governmental Funds	<u>5,301</u>
Total Governmental Funds	<u><u>\$104,533</u></u>

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 16 – 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 may 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 may 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.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The management's discussion and analysis of the Tuscarawas County Public Library ("the Library") financial performance provides an overview of the Library's financial activities for the year ended December 31, 2019, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2019 are as follows:

- The renovation project on the main library began in late 2018 and continued throughout 2019. The current estimated cost for the entire project is about \$5 million. The project is to be completed in early 2020.
- During 2019, total net position decreased due to an increase in disbursements. The increase in disbursements was primarily related to project disbursements for the renovation of the main library.
- In 2019, the Library began making debt service payments on the note that was issued in the prior year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular purpose. These statements present financial information by fund, presenting the major funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the governmental-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present the financial statements on a cash basis of accounting. This approach is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable), and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2019, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well, such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, and the need for continued growth in the major local revenue sources such as property taxes and Public Library Fund (PLF).

In the statement of net position and the statement of activities, the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and the library materials and information. These services are primarily funded by property taxes and PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds, not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that restricted use funds are being spent for their intended purposes. All of the Library's funds are accounted for as governmental funds.

Governmental Funds The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the general fund and the building and repair fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2019 compared to 2018 on a cash basis:

(Table 1)
Net Position

	<u>Governmental Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,593,904	\$5,438,185	(\$3,844,281)
Cash and Cash Equivalents with Fiscal Agent	79,500	0	79,500
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	88,330	87,730	600
<i>Total Assets</i>	<u>\$1,761,734</u>	<u>\$5,525,915</u>	<u>(\$3,764,181)</u>
Net Position			
Restricted for:			
Capital Outlay	\$0	\$2,899,771	(\$2,899,771)
Permanent Fund Purpose:			
Expendable	1,375	464	911
Nonexpendable	88,330	87,730	600
Other Purposes	10,955	12,003	(1,048)
Unrestricted	<u>1,661,074</u>	<u>2,525,947</u>	<u>(864,873)</u>
<i>Total Net Position</i>	<u>\$1,761,734</u>	<u>\$5,525,915</u>	<u>(\$3,764,181)</u>

During 2019, total net position decreased as disbursements increased significantly. This change was primarily due to project disbursements for the renovation of the main library.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 2 reflects the changes in net position in 2019 compared to 2018 on a cash basis:

(Table 2)
Change in Net Position

	Governmental Activities		
	2019	2018	Change
Receipts			
Program Receipts			
Charges for Services and Sales	\$37,779	\$47,937	(\$10,158)
Operating Grants, Contributions and Interest	6,727	11,213	(4,486)
Capital Grants and Contributions	41,500	105,600	(64,100)
<i>Total Program Receipts</i>	<u>86,006</u>	<u>164,750</u>	<u>(78,744)</u>
General Receipts and Contributions to Permanent Fund			
General Receipts:			
Property Taxes	1,633,780	1,564,734	69,046
Grants and Entitlements not Restricted to Specific Programs	1,570,776	1,514,674	56,102
Unrestricted Gifts and Contributions	3,318	5,511	(2,193)
Earnings on Investments	36,064	27,257	8,807
Miscellaneous	12,261	10,578	1,683
Notes Issued	0	3,000,000	(3,000,000)
Contributions to Permanent Fund	600	15,600	(15,000)
<i>Total General Receipts and Contributions to Permanent Fund</i>	<u>3,256,799</u>	<u>6,138,354</u>	<u>(2,881,555)</u>
<i>Total Receipts</i>	<u>3,342,805</u>	<u>6,303,104</u>	<u>(2,960,299)</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	2,060,318	2,023,032	37,286
Collection Development and Processing	341,123	376,634	(35,511)
Support Services:			
Facilities Operation and Maintenance	60,976	84,456	(23,480)
Information Services	45,789	65,400	(19,611)
Business Administration	131,107	103,681	27,426
Capital Outlay	4,099,891	729,494	3,370,397
Debt Service:			
Principal Retirement	260,200	0	260,200
Interest and Fiscal Charges	107,582	0	107,582
<i>Total Disbursements</i>	<u>7,106,986</u>	<u>3,382,697</u>	<u>3,724,289</u>
Change in Net Position	(3,764,181)	2,920,407	(6,684,588)
Net Position Beginning of Year	<u>5,525,915</u>	<u>2,605,508</u>	<u>2,920,407</u>
Net Position End of Year	<u>\$1,761,734</u>	<u>\$5,525,915</u>	<u>(\$3,764,181)</u>

The most significant portion of total receipts consists of property taxes and grants and entitlements receipts. Property taxes increased due to increased property values, and grants and entitlements not restricted to specific programs increased due to an increase in Public Library Fund receipts.

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The decrease in program receipts was primarily due to a decrease in the amount of capital grants and contributions received in 2019 for the Library renovation project.

Disbursements for library services represent the costs of running the Library. Disbursements for support services represent the overhead costs of running the Library and the support services provided for the other Library activities. Disbursements for capital outlay represent costs for capital projects for the Library. Total disbursements increased in 2019, mainly due to an increase in capital outlay related to the Library renovation project. In 2019, the Library began debt service payments on the note that was issued in the prior year.

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are library services, support services, capital outlay, and debt service. The next three columns of the statement, under "Program Cash Receipts," identify amounts paid by those who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The "Net (Disbursements) Receipts and Changes in Net Position" column compares the program receipts to the cost of the services. This net cost amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Disbursements				
Current:				
Library Services:				
Public Services and Programs	\$2,060,318	\$2,015,825	\$2,023,032	\$1,963,889
Collection Development and Processing	341,123	341,110	376,634	376,627
Support Services:				
Facilities Operation and Maintenance	60,976	60,976	84,456	84,456
Information Services	45,789	45,789	65,400	65,400
Business Administration	131,107	131,107	103,681	103,681
Capital Outlay	4,099,891	4,058,391	729,494	623,894
Debt Service:				
Principal Retirement	260,200	260,200	0	0
Interest and Fiscal Charges	107,582	107,582	0	0
<i>Total Disbursements</i>	<u>\$7,106,986</u>	<u>\$7,020,980</u>	<u>\$3,382,697</u>	<u>\$3,217,947</u>

Tuscarawas County Public Library
Tuscarawas County
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The Library's Funds

Total governmental funds had a decrease in fund balance primarily due to the renovation project disbursements. The fund balance of the general fund increased in 2019, primarily due to an increase in receipts, mainly property taxes and grants and entitlements, as well as decreases in disbursements and transfers out. The increase in property tax receipts was due to increased property values, and the increase in grants and entitlements not restricted to specific programs was due to an increase in Public Library Fund receipts. The fund balance of the building and repair fund decreased in 2019 primarily due to disbursements for the renovation project.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During 2019, the Library's general fund budget was amended a few times. Actual receipts were higher than final budgeted receipts, primarily due to conservative estimates and higher than expected property taxes and Public Library Fund distributions. Final budgeted disbursements and other financing uses for 2019 were higher than actual disbursements and other financing uses due to conservative spending. Maintaining actual disbursements below projected levels allowed the Library to achieve a cash increase to the general fund during this period.

Debt Administration

In 2018, the Library issued a \$3,000,000 Library Facilities Note for the purpose of renovating the main library. See Note 9 for additional information. At December 31, 2019, the Library also had a lease for copiers. See Note 10 for additional information.

Current Issues

The Library is embarking on a renovation/addition project of the main library. The project was bid out in the fall of 2018, and work began shortly after. The project estimate is just under \$5 million and is to be completed in early 2020.

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue. Even though the Library has stable funds, it is dependent on funding from the State to remain in this position.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Nicole Stoldt, Fiscal Officer, Tuscarawas County Public Library, 121 Fair Avenue NW, New Philadelphia, Ohio 44663.

Basic Financial Statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Net Position - Cash Basis
December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,593,904
Cash and Cash Equivalents with Fiscal Agent	79,500
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	88,330
<i>Total Assets</i>	<i>\$1,761,734</i>
 Net Position	
Restricted for:	
Permanent Fund Purpose:	
Expendable	\$1,375
Nonexpendable	88,330
Other Purposes	10,955
Unrestricted	1,661,074
<i>Total Net Position</i>	<i>\$1,761,734</i>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
Library Services:					
Public Services and Programs	\$2,060,318	\$37,779	\$6,714	\$0	(\$2,015,825)
Collection Development and Processing	341,123	0	13	0	(341,110)
Support Services:					
Facilities Operation and Maintenance	60,976	0	0	0	(60,976)
Information Services	45,789	0	0	0	(45,789)
Business Administration	131,107	0	0	0	(131,107)
Capital Outlay	4,099,891	0	0	41,500	(4,058,391)
Debt Service:					
Principal Retirement	260,200	0	0	0	(260,200)
Interest and Fiscal Charges	107,582	0	0	0	(107,582)
<i>Total Governmental Activities</i>	<u>\$7,106,986</u>	<u>\$37,779</u>	<u>\$6,727</u>	<u>\$41,500</u>	<u>(7,020,980)</u>
General Receipts:					
Property Taxes Levied for General Purposes					1,633,780
Grants and Entitlements not Restricted to Specific Programs					1,570,776
Unrestricted Gifts and Contributions					3,318
Earnings on Investments					36,064
Miscellaneous					12,261
Contributions to Permanent Fund					600
<i>Total General Receipts and Contributions to Permanent Fund</i>					<u>3,256,799</u>
Change in Net Position					(3,764,181)
<i>Net Position Beginning of Year</i>					<u>5,525,915</u>
<i>Net Position End of Year</i>					<u>\$1,761,734</u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2019

	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$567,823	\$839,055	\$187,026	\$1,593,904
Cash and Cash Equivalents with Fiscal Agent	0	79,500	0	79,500
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	88,330	88,330
<i>Total Assets</i>	<u>\$567,823</u>	<u>\$918,555</u>	<u>\$275,356</u>	<u>\$1,761,734</u>
Fund Balances				
Nonspendable	\$0	\$0	\$88,330	\$88,330
Restricted	0	0	12,330	12,330
Committed	0	79,500	0	79,500
Assigned	349,598	839,055	174,696	1,363,349
Unassigned	218,225	0	0	218,225
<i>Total Fund Balances</i>	<u>\$567,823</u>	<u>\$918,555</u>	<u>\$275,356</u>	<u>\$1,761,734</u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$1,633,780	\$0	\$0	\$1,633,780
Intergovernmental	1,570,776	0	0	1,570,776
Patron Fines and Fees	37,779	0	0	37,779
Contributions, Gifts and Donations	0	41,500	9,372	50,872
Earnings on Investments	36,053	11	1,273	37,337
Miscellaneous	12,261	0	0	12,261
<i>Total Receipts</i>	<u>3,290,649</u>	<u>41,511</u>	<u>10,645</u>	<u>3,342,805</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,053,244	0	7,074	2,060,318
Collection Development and Processing	340,896	0	227	341,123
Support Services:				
Facilities Operation and Maintenance	60,976	0	0	60,976
Information Services	45,789	0	0	45,789
Business Administration	131,107	0	0	131,107
Capital Outlay	94,017	3,998,070	7,804	4,099,891
Debt Service:				
Principal Retirement	0	260,200	0	260,200
Interest and Fiscal Charges	0	107,582	0	107,582
<i>Total Disbursements</i>	<u>2,726,029</u>	<u>4,365,852</u>	<u>15,105</u>	<u>7,106,986</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>564,620</u>	<u>(4,324,341)</u>	<u>(4,460)</u>	<u>(3,764,181)</u>
Other Financing Sources (Uses)				
Transfers In	0	400,000	31,298	431,298
Transfers Out	(431,298)	0	0	(431,298)
<i>Total Other Financing Sources (Uses)</i>	<u>(431,298)</u>	<u>400,000</u>	<u>31,298</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	133,322	(3,924,341)	26,838	(3,764,181)
<i>Fund Balances Beginning of Year</i>	<u>434,501</u>	<u>4,842,896</u>	<u>248,518</u>	<u>5,525,915</u>
<i>Fund Balances End of Year</i>	<u><u>\$567,823</u></u>	<u><u>\$918,555</u></u>	<u><u>\$275,356</u></u>	<u><u>\$1,761,734</u></u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library
Tuscarawas County
Statement of Receipts, Disbursements and Changes
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,560,000	\$1,560,000	\$1,633,780	\$73,780
Intergovernmental	1,588,100	1,389,500	1,570,776	181,276
Patron Fines and Fees	48,600	42,550	37,779	(4,771)
Earnings on Investments	30,900	27,000	36,053	9,053
Miscellaneous	5,300	4,600	12,261	7,661
<i>Total Receipts</i>	<u>3,232,900</u>	<u>3,023,650</u>	<u>3,290,649</u>	<u>266,999</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,015,346	2,201,093	2,061,037	140,056
Collection Development and Processing	379,109	414,050	389,363	24,687
Support Services:				
Facilities Operation and Maintenance	95,865	104,700	64,730	39,970
Information Services	45,347	49,527	46,175	3,352
Business Administration	134,805	147,230	132,785	14,445
Capital Outlay	100,170	109,402	99,762	9,640
<i>Total Disbursements</i>	<u>2,770,642</u>	<u>3,026,002</u>	<u>2,793,852</u>	<u>232,150</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	462,258	(2,352)	496,797	499,149
Other Financing Uses				
Transfers Out	(431,298)	(431,298)	(431,298)	0
<i>Net Change in Fund Balance</i>	30,960	(433,650)	65,499	499,149
<i>Fund Balance Beginning of Year</i>	399,900	399,900	399,900	0
Prior Year Encumbrances Appropriated	34,601	34,601	34,601	0
<i>Fund Balance End of Year</i>	<u>\$465,461</u>	<u>\$851</u>	<u>\$500,000</u>	<u>\$499,149</u>

See accompanying notes to the basic financial statements

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note 1 – Description of the Library and Reporting Entity

The Tuscarawas County Public Library (“the Library”) was organized as a county district public library in 1948 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Tuscarawas County Commissioners and the Tuscarawas County Court of Common Pleas. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, possessing and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Library Trustees appoints a Director, Fiscal Officer, and Deputy Fiscal Officer.

Under the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Library is considered a related organization to Tuscarawas County.

There is no potential for the Library to provide a financial benefit to or impose a financial burden on the County Commissioners, nor can the County Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. The Library is fiscally independent of the County, although the County Commissioners serve in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax, the rate, and the purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the County Commissioners must place the levy on the ballot.

The Library participates in a public entity risk pool, the Stark County Schools Council of Government (“the Council”). Note 12 to the basic financial statements provides additional information for this entity.

The Friends of the Tuscarawas County Public Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not receive amounts from the Friends of the Tuscarawas County Public Library that the State would consider significant. 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

As discussed further in Note 2, the financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (“GAAP”). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (“GASB”) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library’s accounting policies are as follows.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the Library. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions; however, the Library has only governmental activities; therefore, no business-type activities are presented.

The statement of net position presents the cash balances of the governmental activities of the Library at year-end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service. Program receipts include charges paid by the recipient of the program's goods or services, grants, and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

Fund Financial Statements During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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 Library's funds are all classified as governmental.

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library's major governmental funds:

General Fund The general fund accounts for and reports all financial resources except those required to be 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.

Building and Repair Fund The building and repair fund accounts for and reports revenues derived from Board approved transfers from the general fund. These monies are assigned to building repair and renovation projects. This fund also accounts for and reports the proceeds of the note issued in 2018 for a building renovation project and grants and donations restricted for the building renovation project. These monies are assigned and committed to the building repair and renovation project.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

The other governmental funds of the Library account for and report grants, donations, and other resources whose use is restricted or assigned to a particular purpose.

For 2019, the Library implemented GASB Statement No. 84, *Fiduciary Activities* and Implementation Guide No. 2019-2, *Fiduciary Activities*. The Library had no changes in fund classification as a result of the implementation of these GASB standards.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability 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 liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments of the Library's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Library are presented on the financial statements as cash equivalents.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

During 2019, the Library invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Library measures their investment in STAR Ohio 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.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2019 amounted to \$36,053, \$24,019 of which was assigned from other Library funds.

The Library uses a fiscal agent to hold retainage on a construction contract. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agent" and represents deposits.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent the \$200 bequest from the estate of Rev. T. W. Hoernemann and \$88,130 in the First Steps to Literacy Fund established in 2008. The T. W. Hoernemann Endowment Fund was established in October 1989 to benefit the Library. Only the interest may be spent for Library use, not the original \$200 bequest. The interest earned from the First Steps to Literacy Fund is intended to provide a free book to newborn babies born in Tuscarawas County.

Inventory and Prepaids

The Library reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their 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 (OPEB) benefits.

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for notes and other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for grant purposes and those restricted by the donor purpose.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

Fund balance is divided into four classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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 committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) they employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State statute. State statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Library Trustees assigned fund balance to cover a gap between estimated revenue and appropriations in the fiscal year 2020 budget.

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements, and changes in fund balance – budget and actual – budgetary basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$67,823 for the general fund.

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's 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.

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted previously, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the fiscal officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$872 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$0 of the Library's total bank balance of \$827,716 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although one of the Library's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral rate of 50 percent, this did not result in the Library having an uninsured and uncollateralized balance at year end.

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

Eligible securities pledged to the Library 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 moneys 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.

Investments

As of December 31, 2019, the Library had an investment in STAR Ohio in the amount of \$883,006 with an average maturity of 55.7 days. The Library measures its investment in STAR Ohio at the net asset value per share provided by STAR Ohio.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk The Library places no limit on the amount it may invest in any one issuer.

Note 5 – Grants-in-Aid and Property 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

Property taxes include amounts levied against all real and public utility property located in the Library's taxing district. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2019, was \$1.50 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

	<u>Assessed Value</u>
Real Property	\$1,112,482,390
Public Utility Personal Property	<u>111,239,290</u>
Total	<u>\$1,223,721,680</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Note 6 – Risk Management

Property and Liability Insurance

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the Library contracted for various types of insurance coverages as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Cincinnati Insurance Company	Commercial Property	\$4,281,000
	General Liability	2,000,000
	Commercial Crime	1,000,000
	Inland Marine	93,038
	Vehicle	1,000,000
	Errors and Omissions	1,000,000
	Library Officials	1,000,000

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.

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.

Employee Health, Dental, and Vision

The Library has contracted with the Stark County Schools Council of Government (the Council) Health Benefits Program to provide employee medical/surgical, dental, and vision benefits. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays 75 percent of the premium for full-time employee medical coverage and 50 percent of the premium for part-time employee medical coverage. Employees pay the remainder of the premium for medical coverage, 100 percent of the premium for dental coverage, and 100 percent of the premium for vision coverage. The following table shows the total monthly premiums for 2019:

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

<u>Insurance</u>	<u>Family</u>	<u>Single</u>
Medical	\$1,858	\$765
Dental	231	93
Vision	49	20

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Plan Description – Library employees participate 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, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' financial report referenced previously for additional information, including requirements for reduced and unreduced benefits):

Tuscarawas County Public Library
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for twelve months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Postemployment Health Care Benefits **	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2019, the Library’s contractually required contribution was \$176,068 for the traditional plan, \$11,182 for the combined plan, and \$3,234 for the member-directed plan.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of sixty, or generally thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' financial report referenced subsequently for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, State and local employers contributed at a rate of 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Library's contractually required contribution was \$1,294 for 2019.

Note 9 – Debt

For 2019, the Library implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Library has incorporated any required disclosures into the following note.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

A summary of the note transactions for the year ended December 31, 2019, follows:

	Principal Outstanding 12/31/2018	Additions	Deductions	Principal Outstanding 12/31/2019	Amount Due in One Year
Governmental Activities					
<i>Note from Direct Placement:</i>					
2018 Library Facilities Note - Term	\$3,000,000	\$0	\$260,200	\$2,739,800	\$268,329

On September 25, 2018, the Library issued a \$3,000,000 direct placement term note for the purpose of renovating and improving Library facilities. The note was issued for a 10 year period with final maturity at December 1, 2028. Principal payments and interest payments of 3.1 percent per year are due on June 1 and December 1 of each year, until the principal amount is paid. Public Library Fund receipts have been pledged for the payment of principal and interest. The note will be paid from the building and repair fund. At December 31, 2019, all of the proceeds had been spent.

Optional Redemption The note is subject to redemption at the option of the Library, either in whole or in part, on any date after June 1, 2023, at a redemption price equal to 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

Mandatory Sinking Fund Redemption The term note maturing on December 1, 2028, is subject to mandatory sinking fund redemption requirements at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on the following dates and in the principal amounts set forth as follows:

Date	Issue \$3,000,000
6/1/2020	\$133,133
12/1/2020	135,196
6/1/2021	137,292
12/1/2021	139,420
6/1/2022	141,581
12/1/2022	143,775
6/1/2023	146,004
12/1/2023	148,267
6/1/2024	150,565
12/1/2024	152,899
6/1/2025	155,269
12/1/2025	157,675
6/1/2026	160,120
12/1/2026	162,601
6/1/2027	165,122
12/1/2027	167,681
6/1/2028	170,280
Total	\$2,566,880
<i>Stated Maturity</i>	<i>12/1/2028</i>

The remaining principal amount of the term note (\$172,920) will mature at the stated maturity.

Tuscarawas County Public Library

Tuscarawas County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Principal and interest requirements to retire the note outstanding at December 31, 2019, are as follows:

Year Ending December 31	Governmental Activities	
	Term Note from Direct Placement	
	Principal	Interest
2020	\$268,329	\$82,870
2021	276,712	74,488
2022	285,356	65,843
2023	294,271	56,928
2024	303,464	47,735
2025-2028	1,311,668	93,131
Total	<u>\$2,739,800</u>	<u>\$420,995</u>

Note 10 – Leases

The Library leases copiers under noncancelable leases. The Library disbursed \$13,833 to pay lease costs for the year ended December 31, 2019. Future lease payments are as follows:

Year	Amount
2020	\$10,270
2021	10,270
2022	10,270
2023	10,270
2024	4,279
Total	<u>\$45,359</u>

Note 11 – Contingent Liabilities

Grants

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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.

Litigation

The Library is not party to legal proceedings.

Note 12 – Public Entity Risk Pool

The Stark County Schools Council of Government (the Council) is a shared risk pool which is governed by an assembly which consists of one representative from each participating member. Only the nineteen original members from Stark County school districts at the time of the formation of the Council have a vote in the assembly. The assembly elects officers for one-year terms to serve as the Board of Directors. The

Tuscarawas County Public Library

Tuscarawas County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2019

assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program, which is a shared risk pool. Financial information can be obtained from the Stark County Schools Council of Governments, 6057 Strip Avenue Northwest, North Canton, Ohio 44720.

Note 13 – Interfund Transfers

During 2019, the general fund transferred \$400,000 to the building and repair fund to provide for debt payments and to finance capital projects. The general fund also transferred \$31,298 to the mobile services fund to finance capital purchases.

Note 14 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Building and Repair	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>				
First Steps to Literacy	\$0	\$0	\$88,130	\$88,130
T.W. Hoernemann Endowment	0	0	200	200
<i>Total Nonspendable</i>	<u>0</u>	<u>0</u>	<u>88,330</u>	<u>88,330</u>
<u>Restricted for:</u>				
Permanent Fund Purposes	0	0	1,375	1,375
<u>Other Purposes:</u>				
Donor Purposes	0	0	5,974	5,974
Connect Ohio	0	0	1,172	1,172
Youth Programs	0	0	3,809	3,809
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>12,330</u>	<u>12,330</u>
<u>Committed to:</u>				
Library Renovation Project	0	79,500	0	79,500
<u>Assigned to:</u>				
Library Services	0	0	3,635	3,635
Capital Improvement Projects	0	839,055	171,061	1,010,116
<u>Purchases on Order:</u>				
Supplies	1,678	0	0	1,678
Purchased Services	11,547	0	0	11,547
Library Materials and Information	48,853	0	0	48,853
Capital Outlay	5,745	0	0	5,745
2020 Operations	281,775	0	0	281,775
<i>Total Assigned</i>	<u>349,598</u>	<u>839,055</u>	<u>174,696</u>	<u>1,363,349</u>
Unassigned	<u>218,225</u>	<u>0</u>	<u>0</u>	<u>218,225</u>
Total Fund Balances	<u><u>\$567,823</u></u>	<u><u>\$918,555</u></u>	<u><u>\$275,356</u></u>	<u><u>\$1,761,734</u></u>

Tuscarawas County Public Library
Tuscarawas County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 15 – Significant Commitments

Contractual Commitments

The Library had the following contractual commitments outstanding at December 31, 2019:

Project	Contract Amount	Amount Paid	Remaining on Contract
Library Renovation	\$3,785,265	\$3,566,219	\$219,046

The amount remaining on this contract was encumbered at year end.

Encumbrances

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 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$67,823
Building and Repair	424,498
Total Governmental	\$492,321

Note 16 – Subsequent Event

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.

OHIO AUDITOR OF STATE KEITH FABER



PO Box 828
Athens, Ohio 45701
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

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

Tuscarawas County Public Library
Tuscarawas County
121 Fair Avenue NW
New Philadelphia, Ohio 44663

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tuscarawas County Public Library, Tuscarawas County, Ohio (the Library) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated October 22, 2021, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 22, 2022

OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY PUBLIC LIBRARY

TUSCARAWAS 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 11/4/2021

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