

BRIGGS LAWRENCE COUNTY PUBLIC LIBRARY  
LAWRENCE COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Briggs Lawrence County Public Library  
PO Box 1116  
South Point, OH 45680

We have reviewed the *Independent Auditor's Report* of the Briggs Lawrence County Public Library, Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2021 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

September 25, 2024

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**Briggs Lawrence County Public Library**  
Lawrence County  
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*For the Years Ended December 31, 2022 and 2021*

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**Independent Auditor's Report**

Board of Trustees  
Briggs Lawrence County Public Library  
Lawrence County  
P.O. Box 116  
South Point, Ohio 45680

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

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

***Unmodified Opinion on Regulatory Basis of Accounting***

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

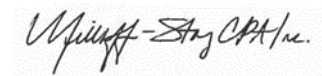


- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

May 29, 2024

**Briggs Lawrence County Public Library**  
Lawrence County  
*Combined Statement of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances*  
*All Governmental Fund Types*  
For the Year Ended December 31, 2022

	General	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Public Library	\$ 2,574,619	\$ -	\$ 2,574,619
Patron Fines & Fees	16,211	-	16,211
Earnings on Investments	28,802	7,740	36,542
Gifts & Donations	765	-	765
Miscellaneous	14,569	-	14,569
<b>Total Cash Receipts</b>	<b>2,634,966</b>	<b>7,740</b>	<b>2,642,706</b>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Library Services	1,912,478	-	1,912,478
<b>Total Cash Disbursements</b>	<b>1,912,478</b>	<b>-</b>	<b>1,912,478</b>
<b>Excess of Cash Receipts Over (Under) Cash Disbursements</b>	<b>722,488</b>	<b>7,740</b>	<b>730,228</b>
<b>Net Change in Fund Balance</b>	<b>722,488</b>	<b>7,740</b>	<b>730,228</b>
<b>Fund Cash Balances, January 1</b>	<b>1,903,649</b>	<b>408,685</b>	<b>2,312,334</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 2,626,137</b>	<b>\$ 416,425</b>	<b>\$ 3,042,562</b>

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 1- Reporting Entity**

The Briggs Lawrence County Public Library (the Library), Lawrence County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Lawrence County Common Pleas Court appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literacy resources.

**Public Entity Risk Pools**

The Library participates in a public entity risk pool. Note 5 to the financial statements provides additional information for these entities. The Library's management believes these financial statements present all activities for which the Library is financially accountable.

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

**Basis of Presentation**

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

**Fund Accounting**

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

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

**Capital Project Funds** These funds account for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital projects.

**Basis of Accounting**

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

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function and object level of control. A summary of 2022 budgetary activity appears in Note 3.

**Deposits and Investments**

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

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

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

**Briggs Lawrence County Public Library**

Lawrence County

Notes to the Financial Statements

For the Year Ended December 31, 2022

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 8.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,264,751	\$2,634,966	\$370,215
Capital Projects	<u>0</u>	<u>7,740</u>	<u>7,740</u>
Total	<u>\$2,264,751</u>	<u>\$2,642,706</u>	<u>\$377,955</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,039,000	\$1,912,478	\$126,522
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$2,039,700</u>	<u>\$1,912,478</u>	<u>\$126,522</u>

**Briggs Lawrence County Public Library**  
 Lawrence County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2022

**Note 4 - Deposits and Investments**

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

***Cash Management Pool:***

Demand deposits	<u>\$865,428</u>
Total deposits:	\$865,428
Cash on Hand	<u>325</u>
STAR Ohio	<u>2,176,809</u>
Total carrying amount of deposits and investments held in the Pool	<u>\$3,042,562</u>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the library; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Note 5- Risk Management**

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

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

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6- Defined Benefit Pension Plans**

*Ohio Public Employee's Retirement System*

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

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

**Note 7 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans, including medical coverage, prescription drug coverage, deposits to a Health Reimbursement arrangement and Medicare Part B premium reimbursements to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2022.

**Note 8 - Fund Balances**

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 Library had no outstanding encumbrances.

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 9 – Grants in Aid and Taxes**

Grants in Aid

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

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent period 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.

**Note 11 – Subsequent Events**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through the date May 29, 2024.



**Briggs Lawrence County Public Library**  
Lawrence County  
*Combined Statement of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances*  
*All Governmental Fund Types*  
For the Year Ended December 31, 2021

	General	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Public Library	\$ 2,379,972	\$ -	\$ 2,379,972
Patron Fines & Fees	14,230	-	14,230
Earnings on Investments	1,341	407	1,748
Gifts & Donations	430	-	430
Miscellaneous	35,254	-	35,254
<b>Total Cash Receipts</b>	<b>2,431,227</b>	<b>407</b>	<b>2,431,634</b>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Library Services	1,945,909	-	1,945,909
<b>Total Cash Disbursements</b>	<b>1,945,909</b>	<b>-</b>	<b>1,945,909</b>
<b>Excess of Cash Receipts Over (Under) Cash Disbursements</b>	<b>485,318</b>	<b>407</b>	<b>485,725</b>
<b>Other Financing Receipts:</b>			
Sale of Fixed Asset	43,050	-	43,050
<b>Total Other Financing Receipts</b>	<b>43,050</b>	<b>-</b>	<b>43,050</b>
<b>Net Change in Fund Balance</b>	<b>528,368</b>	<b>407</b>	<b>528,775</b>
<b>Fund Cash Balances, January 1</b>	<b>1,375,281</b>	<b>408,278</b>	<b>1,783,559</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 1,903,649</b>	<b>\$ 408,685</b>	<b>\$ 2,312,334</b>

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Note 1- Reporting Entity**

The Briggs Lawrence County Public Library (the Library), Lawrence County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Lawrence County Common Pleas Court appoints a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literacy resources.

**Public Entity Risk Pools**

The Library participates in a public entity risk pool. Note 5 to the financial statements provides additional information for these entities. The Library's management believes these financial statements present all activities for which the Library is financially accountable.

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

**Basis of Presentation**

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

**Fund Accounting**

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

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**Capital Project Funds** These funds account for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital projects.

**Basis of Accounting**

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

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function and object level of control. A summary of 2021 budgetary activity appears in Note 3.

**Deposits and Investments**

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

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

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

**Briggs Lawrence County Public Library**

Lawrence County

Notes to the Financial Statements

For the Year Ended December 31, 2021

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 8.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,924,295	\$2,474,277	\$549,982
Capital Projects	<u>700</u>	<u>407</u>	<u>(293)</u>
Total	<u>\$1,924,995</u>	<u>\$2,474,684</u>	<u>\$549,689</u>

2021 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,924,295	\$2,092,230	(\$167,935)
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,924,295</u>	<u>\$2,092,230</u>	<u>(\$167,935)</u>

**Briggs Lawrence County Public Library**  
 Lawrence County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2021

**Note 4 - Deposits and Investments**

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

***Cash Management Pool:***

Demand Deposits	\$531,723
Certificates of Deposit	<u>150,451</u>
Total deposits:	682,174
Cash on Hand	325
STAR Ohio	<u>1,629,835</u>
Total carrying amount of deposits and investments held in the Pool	<u>\$2,312,334</u>

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the library; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

***Investments***

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

**Note 5- Risk Management**

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

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

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

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

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

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

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6- Defined Benefit Pension Plans**

*Ohio Public Employee's Retirement System*

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

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

**Note 7 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, that includes multiple health care plans, including medical coverage, prescription drug coverage, deposits to a Health Reimbursement arrangement and Medicare Part B premium reimbursements to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2021.

**Note 8 - Fund Balances**

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 balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	\$ 146,321	\$0	\$146,231

**Briggs Lawrence County Public Library**  
Lawrence County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 9 – Grants in Aid and Taxes**

Grants in Aid

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

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent period 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.

**Note 11 – Subsequent Events**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through the date May 29, 2024.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Trustees  
Briggs Lawrence County Public Library  
Lawrence County  
P.O. Box 116  
South Point, Ohio 45680

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements of the Briggs Lawrence County Public Library, Lawrence County, Ohio (the Library) and have issued our report thereon dated May 29, 2024, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.



### **Report on Compliance and Other Matters**

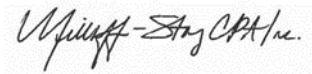
As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Library's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Library's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Library's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

May 29, 2024

**Briggs Lawrence County Public Library**  
Lawrence County  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2022 and 2021*

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**Finding Number 2022-001**

**Material Weakness – Financial Reporting**

A monitoring system by the Library should be in place to prevent or detect misstatements for the accurate presentation of the Library's financial statements. During 2022, the Library improperly reported the beginning and ending balances and earnings on investments of the Capital Projects Fund in the General Fund. Further, in 2022 cash was underreported as well as related miscellaneous revenues. Additionally, we identified a misclassification in 2021 related to the sale of assets. Finally, several changes were required for the footnotes for both 2022 and 2021. These amounts were deemed material and adjustments were made to the financial statements.

We recommend the Library implement additional control procedures related to the financial reporting process to ensure the accurate presentation of the financial statements and related notes.

**Library Response:**

The Library will implement additional control procedures related to the financial reporting process to ensure the accurate presentation of the financial statements and related notes.

**Finding Number 2022-002**

**Material Weakness – Budgetary Information Within Accounting System**

Accurate budgetary information within the Library's accounting system is pertinent to ensure that the Library has accurate and complete information for decision-making processes. Amendments to the budget should be properly documented in the minute record to provide assurance that changes to appropriations are authorized by the governing board. During testing we noted that amounts entered into the accounting system for appropriations did not agree to approved amounts for 2022 or 2021. Further estimated receipts were not entered into the accounting system at all for 2022 or 2021.

The Library should implement the appropriate procedures to ensure that all authorized budgetary amendments are properly documented within the accounting system and board approved. This ensures the Library has accurate data during the decision making process.

**Library Response:**

All amendments in the budget will be written in the monthly minutes.

**Briggs Lawrence County Public Library**  
 Lawrence County  
*Schedule of Prior Audit Findings*  
 For the Years Ended December 31, 2022 and 2021

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
Finding 2020-001	Material Weakness-Financial Reporting	No	Reissued as finding 2022-001

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# OHIO AUDITOR OF STATE KEITH FABER



**BRIGGS-LAWRENCE COUNTY PUBLIC LIBRARY**

**LAWRENCE 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 10/8/2024**

65 East State 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](http://www.ohioauditor.gov)