



OHIO AUDITOR OF STATE  
**KEITH FABER**





DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Dover Public Library  
Tuscarawas County  
525 North Walnut Street  
Dover, Ohio 44622

To the Board of Trustees:

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

#### ***Unmodified and Adverse Opinions***

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

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 year then ended.

#### ***Basis for Opinions***

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Library on the basis of the financial reporting provisions of Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Rev. Code § 117.38 and Ohio Admin. Code 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 April 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 29, 2024

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**Dover Public Library**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2022*

	General	Debt Service	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$322,933	\$0	\$0	\$322,933
Public Library	817,871	0	0	817,871
Intergovernmental	52,837	0	0	52,837
Patron Fines and Fees	8,727	0	0	8,727
Contributions, Gifts and Donations	63,421	0	0	63,421
Earnings on Investments	9,003	0	0	9,003
Miscellaneous	4,107	0	0	4,107
<i>Total Cash Receipts</i>	<u>1,278,899</u>	<u>0</u>	<u>0</u>	<u>1,278,899</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Collection Development and Processing	153,418	0	0	153,418
Support Services:				
Facilities Operation and Maintenance	154,136	0	0	154,136
Business Administration	762,648	0	0	762,648
Debt Service:				
Principal Retirement	0	38,998	0	38,998
Interest and Fiscal Charges	0	3,291	0	3,291
<i>Total Cash Disbursements</i>	<u>1,070,202</u>	<u>42,289</u>	<u>0</u>	<u>1,112,491</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>208,697</u>	<u>(42,289)</u>	<u>0</u>	<u>166,408</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	3,671	0	0	3,671
Transfers In	0	50,000	0	50,000
Transfers Out	(50,000)	0	0	(50,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(46,329)</u>	<u>50,000</u>	<u>0</u>	<u>3,671</u>
<i>Net Change in Fund Cash Balances</i>	162,368	7,711	0	170,079
<i>Fund Cash Balances, January 1</i>	<u>828,196</u>	<u>7,711</u>	<u>271,111</u>	<u>1,107,018</u>
<i>Fund Cash Balances, December 31</i>	<u>\$990,564</u>	<u>\$15,422</u>	<u>\$271,111</u>	<u>\$1,277,097</u>

*See accompanying notes to the basic financial statements*

**Dover Public Library**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2022*

	<u>Custodial Fund Types</u>
	Agency
<i>Fund Cash Balances, January 1</i>	461
<i>Fund Cash Balances, December 31</i>	\$461
<i>See accompanying notes to the basic financial statements</i>	

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Dover Public Library, Tuscarawas County, (the Library) as a body corporate and politic. The Library is governed by a self-appointed seven-member Board of Trustees. The Library provides the community with various educational and literary resources.

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

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

**A. Accounting Basis**

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Library 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.

**B. Deposits and Investments**

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

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**C. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library classifies its funds into the following types:

**General Fund** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

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

**C. Fund Accounting (Continued)**

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

**Building and Repair Fund** – This fund is used to accumulate resources and account for all major construction and renovations.

**Debt Service Fund** This fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Library had the following significant Debt Service fund:

**Debt Service Fund** – used to account for a loan for a new HVAC system for the Library.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Library's custodial funds account for Relay for Life contributions and Christmas Jar contributions.

**D. 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.

**E. 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:

**Non-spendable** The Library classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the non-spendable 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.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

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

**E. Fund Balance (Continued)**

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

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

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

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**F. Property, Plant, and Equipment**

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

**G. 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.

**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	\$1,116,242	\$1,282,570	\$166,328
Debt Service	50,000	50,000	0
Total	\$1,166,242	\$1,332,570	\$166,328

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,259,749	\$1,183,970	\$75,779
Debt Service	50,000	42,289	7,711
Total	\$1,309,749	\$1,226,259	\$83,490

**Note 4 – Deposits and Investments**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2022 was as follows:

**Note 4 – Deposits and Investments (Continued)**

	2022
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$43,102
Other time deposits (savings and NOW accounts)	905,607
Total deposits	948,709
STAR Ohio	328,749
Total investments	328,749
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$1,277,458
Cash on Hand	\$100
<i>Total balance</i>	\$1,277,558

***Deposits***

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

***Investments***

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

**Note 5 - Grants-In-Aid And Tax Receipts**

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.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

**Note 5 - Grants-In-Aid And Tax Receipts (Continued)**

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

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

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

**Note 6 – Retirement System**

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

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

**Note 7 – Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- vehicles; and
- Errors and omissions

**Unemployment**

The Library participates in a group retrospective rating program, which is a shared risk pool for worker's compensation rating purposes. Ohio Revised Code 4123.29 permits the establishment of employer group retrospective rating plans for such purposes.

The Library paid premiums to the Bureau of Worker's Compensation totaling \$1,282 in 2022.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

**Note 8 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
Library Facilities Note, Series 2020	\$122,368	2.24%
Total	\$122,368	

The Library issued library facilities note for \$200,000 with interest rate of 2.24% to be paid in quarterly installments for 5 years. The Library obtained the note to pay for the new HVAC system. Notes are being paid from the Library’s Debt Service Fund. Notes are secured by revenues and by monies and/or investments held in the note retirement fund.

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Library Facilities Note
2023	\$42,289
2024	42,289
2025	42,289
Total	\$126,867

**Note 9 – Postemployment Benefits**

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

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



**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(Continued)**

**Note 10 – Fund Balances**

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General
Outstanding Encumbrances	\$63,768
Total	\$63,768

In the General Fund, outstanding encumbrances are considered assigned.

**Note 11 – Covid-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues.

The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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 12 – Subsequent Event**

On March 13, 2024, the Library accepted a bid of \$257,450 for the roofing project.

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**Dover Public Library**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2021*

	General	Special Revenue	Debt Service	Capital Projects	Combined Total
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$331,347	\$0	\$0	\$0	\$331,347
Public Library	814,960	0	0	0	814,960
Intergovernmental	26,868	0	0	0	26,868
Patron Fines and Fees	6,917	0	0	0	6,917
Contributions, Gifts and Donations	56,098	0	0	0	56,098
Earnings on Investments	2,132	0	0	0	2,132
Miscellaneous	17,389	0	0	0	17,389
<i>Total Cash Receipts</i>	<u>1,255,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,255,711</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Collection Development and Processing	135,907	0	0	0	135,907
Support Services:					
Facilities Operation and Maintenance	113,655	19,735	0	0	133,390
Business Administration	698,679	0	0	0	698,679
Capital Outlay	0	0	0	343,019	343,019
Debt Service:					
Principal Retirement	0	0	38,625	0	38,625
Interest and Fiscal Charges	0	0	3,664	0	3,664
<i>Total Cash Disbursements</i>	<u>948,241</u>	<u>19,735</u>	<u>42,289</u>	<u>343,019</u>	<u>1,353,284</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>307,470</u>	<u>(19,735)</u>	<u>(42,289)</u>	<u>(343,019)</u>	<u>(97,573)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Other Debt Proceeds	0	0	0	200,000	200,000
Sale of Capital Assets	3,505	0	0	0	3,505
Transfers In	0	0	50,000	155,000	205,000
Transfers Out	(205,000)	0	0	0	(205,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(201,495)</u>	<u>0</u>	<u>50,000</u>	<u>355,000</u>	<u>203,505</u>
<i>Net Change in Fund Cash Balances</i>	105,975	(19,735)	7,711	11,981	105,932
<i>Fund Cash Balances, January 1</i>	<u>722,221</u>	<u>19,735</u>	<u>0</u>	<u>259,130</u>	<u>1,001,086</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$828,196</u></u>	<u><u>\$0</u></u>	<u><u>\$7,711</u></u>	<u><u>\$271,111</u></u>	<u><u>\$1,107,018</u></u>

See accompanying notes to the basic financial statements

**Dover Public Library**  
*Tuscarawas County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2021*

	Custodial Fund Types
	Agency
<i>Fund Cash Balances, January 1</i>	461
<i>Fund Cash Balances, December 31</i>	\$461
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**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Note 1 – Description of the Entity**

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

**A. Accounting Basis**

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**C. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library classifies its funds into the following types:

**General Fund** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

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

**C. Fund Accounting (Continued)**

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

**Building and Repair Fund** – This fund is used to accumulate resources and account for all major construction and renovations.

**Debt Service Fund** This fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Library had the following significant Debt Service fund:

**Debt Service Fund** – used to account for a loan for a new HVAC system for the Library.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Library's custodial funds account for Relay for Life contributions and Christmas Jar contributions.

**D. 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.

**E. 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:

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

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

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

**E. Fund Balance (Continued)**

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

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

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

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**F. Property, Plant, and Equipment**

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

**G. 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.

**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	\$945,191	\$1,259,216	\$314,025
Special Revenue	0	0	0
Capital Projects	200,000	355,000	155,000
Debt Service	0	50,000	50,000
<b>Total</b>	<b>\$1,145,191</b>	<b>\$1,664,216</b>	<b>\$519,025</b>

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 3 – Budgetary Activity (Continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,300,510	\$1,239,490	\$61,020
Special Revenue	19,735	19,735	0
Capital Projects	400,000	343,019	56,981
Debt Service	50,000	42,289	7,711
<b>Total</b>	<b>\$1,770,245</b>	<b>\$1,644,533</b>	<b>\$125,712</b>

**Note 4 – Deposits and Investments**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31, 2021 was as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$784,159
Total deposits	784,159
STAR Ohio	323,220
Total investments	323,220
<i>Total carrying amount of deposits and investments held in the Pool</i>	<b>\$1,107,379</b>
Cash on Hand	\$100
<i>Total balance</i>	<b>\$1,107,479</b>

***Deposits***

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

***Investments***

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

**Note 5 - Grants-In-Aid And Tax Receipts**

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.



**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 5 - Grants-In-Aid And Tax Receipts (Continued)**

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

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

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

**Note 6 – Retirement Systems**

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

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

**Note 7 – Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- vehicles; and
- Errors and omissions

**Unemployment**

The Library participates in a group retrospective rating program, which is a shared risk pool for worker's compensation rating purposes. Ohio Revised Code 4123.29 permits the establishment of employer group retrospective rating plans for such purposes.

The Library paid premiums to the Bureau of Worker's Compensation totaling \$1,718 in 2021.

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 8 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Library Facilities Note, Series 2020	\$161,371	2.24%

The Library issued library facilities note for \$200,000 with interest rate of 2.24% to be paid in quarterly installments for 5 years. The Library obtained the note to pay for the new HVAC system. Notes are being paid from the Library’s Debt Service Fund. Notes are secured by revenues and by monies and/or investments held in the note retirement fund.

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Library Facilities Note
2022	\$42,289
2023	42,289
2024	42,289
2025	42,289
Total	\$169,156

**Note 9 – Postemployment Benefits**

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

**DOVER PUBLIC LIBRARY  
TUSCARAWAS COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**Note 10 – Fund Balances**

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General
Outstanding Encumbrances	86,249
Total	\$86,249

In the General Fund, outstanding encumbrances are considered assigned.

**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 periods of the Library. The impact on the Library’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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 Event**

On March 13, 2024, the Library accepted a bid of \$257,450 for the roofing project.

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# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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800-282-0370

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

Dover Public Library  
Tuscarawas County  
525 North Walnut Street  
Dover, Ohio 44622

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Dover Public Library, Tuscarawas County, Ohio (the Library), and have issued our report thereon dated April 29, 2024, wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 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 Library's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 29, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**DOVER 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 5/14/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)