

GREENE COUNTY PUBLIC LIBRARY

GREENE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020



OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Greene County Public Library
76 East Market Street
Xenia, Ohio 45385

We have reviewed the *Independent Auditor's Report* of the Greene County Public Library, Greene County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2020 through December 31, 2021. 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 Greene County Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2022

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**GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Greene County Public Library
Greene County
76 East Market Street P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Public Library, Greene County, Ohio (the Library), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2021, and the changes in the modified cash-basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the modified cash-basis of accounting described in Note 2.

Basis for Opinion

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.

Emphasis of Matter - Accounting Basis

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

Emphasis of Matter

As discussed in note 10 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash-basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 *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.

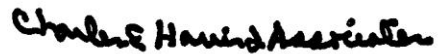
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 June 7, 2022, 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.



Charles E. Harris & Associates, Inc.
June 7, 2022

Greene County Public Library
Greene County
Statement of Net Position - Modified Cash Basis
December 31, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,153,274
Investments	7,623,210
<i>Total Assets</i>	\$ 9,776,484
 Net Position	
Restricted for:	
Special Purposes	\$ 116,782
Permanent Fund Purpose	
Expendable	41,627
Nonexpendable	28,817
Unrestricted	9,589,258
<i>Total Net Position</i>	\$ 9,776,484

See accompanying notes to the basic financial statements

Greene County Public Library, Greene County

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2021

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Library Services:					
Public Service and Programs	\$ 4,843,453	\$ 57,869	\$ 3,843	\$ 93,270	\$ (4,688,471)
Collection Development and Processing	827,508	-	-	-	(827,508)
Library Materials	2,481,890	-	-	-	(2,481,890)
Support Services:					
Facilities Operation and Maintenance	903,927	-	-	-	(903,927)
Information Services	892,771	-	-	-	(892,771)
Business Administration	1,444,188	-	-	-	(1,444,188)
Capital Outlay	803,743	-	-	-	(803,743)
Total Governmental Activities	\$12,197,480	\$ 57,869	\$ 3,843	\$ 93,270	\$ (12,042,498)
General Receipts					
					5,856,275
					6,999,729
					4,035
					93,109
Total General Receipts					12,953,148
Change in Net Position					910,650
<i>Net Position Beginning of Year</i>					<u>8,865,834</u>
<i>Net Position End of Year</i>					<u><u>\$ 9,776,484</u></u>

See accompanying notes to the basic financial statements

Greene County Public Library

Greene County

Statement of Assets and Fund Balances - Modified Cash Basis

Governmental Funds

December 31, 2021

	<u>General</u>	<u>Building & Repair Fund</u>	<u>Technology Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,364,512	\$ 598,279	\$ 148,099	\$ 42,384	\$ 2,153,274
Investments	4,840,738	2,134,499	503,132	144,841	7,623,210
<i>Total Assets</i>	<u>\$ 6,205,250</u>	<u>\$ 2,732,778</u>	<u>\$ 651,231</u>	<u>\$ 187,225</u>	<u>\$ 9,776,484</u>
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ 28,817	\$ 28,817
Restricted	-	-	-	158,408	158,408
Committed	126,173	18,624	119,631	-	264,428
Assigned	2,710,586	2,714,154	531,600	-	5,956,340
Unassigned	3,368,491	-	-	-	3,368,491
<i>Total Fund Balances</i>	<u>\$ 6,205,250</u>	<u>\$ 2,732,778</u>	<u>\$ 651,231</u>	<u>\$ 187,225</u>	<u>\$ 9,776,484</u>

See accompanying notes to the basic financial statements

Greene County Public Library
Greene County

Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General	Building & Repair Fund	Technology Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 6,999,729	\$ -	\$ -	\$ -	\$ 6,999,729
Intergovernmental	5,856,275	-	-	-	5,856,275
Patron Fines and Fees	57,869	-	-	-	57,869
Contributions, Gifts and Donations	2,807	-	-	1,036	3,843
Earnings on Investments	3,941	-	-	94	4,035
Refunds and reimbursements	93,109	-	-	-	93,109
Grants	-	-	-	93,270	93,270
<i>Total Receipts</i>	<u>13,013,730</u>	<u>-</u>	<u>-</u>	<u>94,400</u>	<u>13,108,130</u>
Disbursements					
Current:					
Library Services:					
Public Service and Programs	4,807,340	-	-	36,113	4,843,453
Collection Development and Processing	827,508	-	-	-	827,508
Library Materials	2,481,890	-	-	-	2,481,890
Support Services:					
Facilities Operation and Maintenance	891,481	-	-	12,446	903,927
Information Services	892,771	-	-	-	892,771
Business Administration	1,444,188	-	-	-	1,444,188
Capital Outlay	82,083	573,701	83,064	64,895	803,743
<i>Total Disbursements</i>	<u>11,427,261</u>	<u>573,701</u>	<u>83,064</u>	<u>113,454</u>	<u>12,197,480</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	1,586,469	(573,701)	(83,064)	(19,054)	910,650
Other Financing Sources (Uses)					
Transfers In	-	1,356,000	250,000	-	1,606,000
Transfers Out	(1,606,000)	-	-	-	(1,606,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,606,000)</u>	<u>1,356,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	(19,531)	782,299	166,936	(19,054)	910,650
<i>Fund Balances Beginning of Year</i>	<u>6,224,781</u>	<u>1,950,479</u>	<u>484,295</u>	<u>206,279</u>	<u>8,865,834</u>
<i>Fund Balances End of Year</i>	<u>\$ 6,205,250</u>	<u>\$ 2,732,778</u>	<u>\$ 651,231</u>	<u>\$ 187,225</u>	<u>\$ 9,776,484</u>

See accompanying notes to the basic financial statements

**Green County Public Library
Green County**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund*

For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 6,926,000	\$ 6,926,000	\$ 6,999,729	\$ 73,729
Intergovernmental	5,085,144	5,085,144	5,856,275	771,131
Patron Fines and Fees	50,000	50,000	57,869	7,869
Contributions, Gifts and Donations	-	-	2,807	2,807
Earnings on Investments	14,000	14,000	3,941	(10,059)
Refunds and reimbursements	95,000	95,000	93,109	(1,891)
<i>Total receipts</i>	<u>12,170,144</u>	<u>12,170,144</u>	<u>13,013,730</u>	<u>843,586</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	5,239,039	5,239,039	4,839,171	399,868
Collection Development and Processing	871,935	871,935	830,223	41,712
Library Materials	3,147,193	3,147,193	2,573,852	573,341
Support Services:				
Facilities Operation and Maintenance	1,118,055	1,118,055	927,887	190,168
Information Services	1,051,855	1,051,855	903,748	148,107
Business Administration	1,938,963	1,938,963	1,439,515	499,448
Contingency	50,000	50,000	-	50,000
Capital Outlay	122,741	122,741	86,243	36,498
<i>Total Disbursements</i>	<u>13,539,781</u>	<u>13,539,781</u>	<u>11,600,639</u>	<u>1,939,142</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,369,637)</u>	<u>(1,369,637)</u>	<u>1,413,091</u>	<u>2,782,728</u>
Other Financing Sources (Uses)				
Transfers Out	(1,606,000)	(1,606,000)	(1,606,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(1,606,000)</u>	<u>(1,606,000)</u>	<u>(1,606,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(2,975,637)</u>	<u>(2,975,637)</u>	<u>(192,909)</u>	<u>2,782,728</u>
<i>Fund Balance Beginning of Year</i>	<u>3,438,732</u>	<u>3,438,732</u>	<u>3,438,732</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>244,485</u>	<u>244,485</u>	<u>244,485</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 707,580</u>	<u>\$ 707,580</u>	<u>\$ 3,490,308</u>	<u>\$ 2,782,728</u>

See accompanying notes to the basic financial statements

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 1 – Description of the Library and Reporting Entity

The Board of Trustees of Greene County Public Library (the Library) has seven members appointed by the Common Pleas Court Judges and the Greene County Commissioners, as established by section 3375.22 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued; contracting; acquiring, holding, processing, and disposing of real and personal property; and exercising such powers and privileges as are conferred upon it by law. The Library also determines and operates under its own budget. The control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Trustees appoints a Director/Fiscal Officer, Business Manager/Deputy Fiscal Officer, and two Assistant Deputy Fiscal Officers.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Library's accounting policies.

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the Library. The statements present the activities of the Library as governmental. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange transactions.

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building and Repair Fund – The building and repair fund is used to account for receipts that are restricted for the acquisition, construction or repair of major capital projects.

Technology Fund- This fund is used to account for the receipts that are restricted for the acquisition, construction or repair of computer and their peripherals.

The other governmental funds of the Library account for resources whose use is restricted to a particular purpose. Included in the other governmental funds are Special Revenue Funds whose revenue is used only for the purpose of that fund. Also included in other governmental funds are Permanent Funds. These Permanent Funds are made up of non-expendable trust funds that are restricted as to the use of revenue and the preservation of the principal.

C. Basis of Accounting

The Library's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

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

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

E. Cash and Cash Equivalents

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

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2021, the Library invested in nonnegotiable certificates of deposit, a money market mutual fund, and STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market mutual fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2021.

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 were \$3,941.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The nonspendable portions of endowments are reported as restricted.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

K. Long-Term Obligations

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

L. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes the revenue sources that are restricted for the Library's own programs.

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

M. Fund Balance

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

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

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

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 2 - Summary of Significant Accounting Policies (continued)

M. Fund Balance

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The Library may also assign fund balance as a result when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

The Library applies restricted resources first when disbursements 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.

N. Interfund Transactions

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

<u>From</u>	<u>To</u>	<u>Amount</u>
General Fund	Capital Projects - Building and Repair Fund	\$1,356,000
General Fund	Capital Projects - Technology Fund	250,000
		<u>\$1,606,000</u>

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis).
2. Multiple funds are combined with the general fund in the financial statements to comply with the requirements of GASB Statement No. 54. The budgetary basis statement presents only the activity of the general fund.

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 3 – Budgetary Basis of Accounting (continued)

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified cash basis are as follows:

	2021
	<u>General</u>
Modified Cash Basis	\$ (19,531)
Perspective Difference:	
Retirement	46,898
Encumbrances	<u>(220,776)</u>
Budget Basis	<u>\$ (192,909)</u>

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 4 – Deposits and Investments (continued)

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time, if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$850 in undeposited, petty cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the Library's deposits was \$2,152,424 and the bank balances were \$2,274,610. None of the bank balance was exposed to custodial credit risk. The Library's financial institutions were approved for a reduced collateral rate of 102 percent through the Ohio Pooled Collateral System.

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

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 4 – Deposits and Investments (continued)

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

B. Investments

The Library reports their investments at cost or net asset value per share. The net asset value of this investment is not materially different from cost. As of December 31, 2021, the Library had the following investments:

	Book Value	Percent Of Total Portfolio	Credit Rating	Weighted Average Maturity
Certificates of Deposit	\$3,234,000	42.42%	Aaa	.29 Years
Money Market Mutual Fund	1,247,564	16.37%	Aa3	n/a
StarOhio	3,141,646	41.21%	AAA	51.3 days
Total Investments	\$7,623,210			

Security Type	Amount	Investment Maturities (In Years)	
			Less Than 1
Certificates of Deposit	\$ 3,234,000	\$	3,234,000
Money Market Mutual Fund	1,247,564		1,247,564
STAR Ohio	3,141,646		3,141,646
Total Investments	\$ 7,623,210	\$	7,623,210

Interest rate risk arises because the fair value of investment changes as interest rates change. The Library's investment policy addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 5 – Grants in Aid and Property Taxes

Grants in Aid

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

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021, on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes

The full tax rate for all Library operations for the year ended December 31, 2020, was \$1.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$4,612,479,010
Public Utility Personal Property	<u>164,293,460</u>
Total	<u><u>\$4,776,772,470</u></u>

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

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Library has not reduced coverage from last year. Settlement amounts did not exceed insurance coverage for the past two years.

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 6 - Risk Management (continued)

The Greene County Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Crime, including employee dishonesty and theft, disappearance and destruction
- Inland marine

Note 7 - Defined Benefit Pension Plan

The employees of the Library participate in the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement, and public safety divisions. While members may elect the Member-Directed Plan and the Combined Plan, substantially all members are in the OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

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

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

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 7 - Defined Benefit Pension Plan (continued)

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

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

When a Traditional Plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 7 - Defined Benefit Pension Plan (continued)

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

** This employer health care rate is for the Traditional and Combined Plans. The employer contribution for the Member-Directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contributions to OPERS for the year ended December 2021 was \$700,975. All required contributions were made prior to the end of the year.

Note 8 – Post-employment Benefits

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Please see the Plan Statement in the OPERS ACFR for details.

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 8 – Post-employment Benefits (continued)

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, State and Local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2021.

**Greene County Public Library
Greene County**

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021
(continued)*

Note 9 – Fund Balances

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

2021 Fund Balances	General	Building & Repair Fund	Technology Fund	Other Governmental Funds	Total
Nonspendable					
Principal in Trust Funds	\$ -	\$ -	\$ -	\$ 28,817	\$ 28,817
Restricted for					
Library Materials	-	-	-	78,034	78,034
ARPA	-	-	-	80,374	80,374
Total Restricted	-	-	-	158,408	158,408
Committed to					
Retirement Payouts	126,173	-	-	-	126,173
Encumbrances	-	18,624	119,631	-	138,225
Total Committed	126,173	18,624	119,631	-	264,428
Assigned to					
Subsequent Appropriations	2,490,310	-	-	-	2,490,310
Board Assignment	-	2,714,154	531,600	-	3,245,754
Encumbrances	220,276	-	-	-	220,276
Total Assigned	2,710,586	2,714,154	531,600	-	5,956,340
Unassigned					
	3,368,491	-	-	-	3,368,491
Total Fund Balances	\$6,205,250	\$2,732,778	\$651,231	\$187,225	\$9,776,484

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2021, is \$3,362,809.

Note 10 – Subsequent Event

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

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

Greene County Public Library
Greene County
76 East Market Street P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Public Library, Greene County, (the Library) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 7, 2022, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library.

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 purposes of expressing our opinion 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

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*.

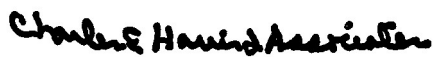
We also noted a certain other matter not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 7, 2022.

Library's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the finding identified in our audit and described in the accompanying corrective action plan. The Library's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Charles E. Harris & Associates, Inc.
June 7, 2022

INDEPENDENT AUDITOR'S REPORT

Greene County Public Library
Greene County
76 East Market Street P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Greene County Public Library, Greene County, Ohio (the Library), as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Basis of Accounting

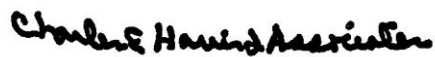
We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 10, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 7, 2022

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,988,574
Investments	5,877,260
<i>Total Assets</i>	\$ 8,865,834
 Net Position	
Restricted for:	
Special Purposes	\$ 127,664
Permanent Fund Purpose	
Expendable	49,798
Nonexpendable	28,817
Unrestricted	8,659,555
<i>Total Net Position</i>	\$ 8,865,834

See accompanying notes to the basic financial statements

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

	Program Cash Receipts				Net (Disbursements)
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes in Net Position
					Governmental Activities
Governmental Activities					
Library Services:					
Public Service and Programs	\$ 4,861,009	\$ 46,582	\$ 11,278	\$ 175,000	\$ (4,628,149)
Collection Development and Processing	791,642	-	-	-	(791,642)
Library Materials	1,614,338	-	-	-	(1,614,338)
Support Services:					
Facilities Operation and Maintenance	783,636	-	-	-	(783,636)
Information Services	950,548	-	-	-	(950,548)
Business Administration	1,515,168	-	-	-	(1,515,168)
Capital Outlay	817,628	-	-	-	(817,628)
<i>Total Governmental Activities</i>	<u>\$11,333,969</u>	<u>\$ 46,582</u>	<u>\$ 11,278</u>	<u>\$ 175,000</u>	<u>\$ (11,101,109)</u>

General Receipts

Unrestricted Government Grants in Aid	5,418,038
Property and Other Local Taxes	6,856,009
Interest	54,532
Miscellaneous	238,496
	<u>12,567,075</u>

Total General Receipts

12,567,075

Change in Net Assets

1,465,966

Net Postion Beginning of Year

7,399,868

Net Postion End of Year

\$8,865,834

See accompanying notes to the basic financial statements

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

	General	Building & Repair Fund	Technology Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 2,098,944	\$ 657,482	\$ 161,046	\$ 71,102	\$ 2,988,574
Investments	4,125,837	1,292,997	323,249	135,177	5,877,260
<i>Total Assets</i>	<u>\$ 6,224,781</u>	<u>\$ 1,950,479</u>	<u>\$ 484,295</u>	<u>\$ 206,279</u>	<u>\$ 8,865,834</u>
Fund Balances					
Nonspendable	\$ -	\$ -	\$ -	\$ 28,817	\$ 28,817
Restricted	-	-	-	177,462	177,462
Committed	173,071	168,264	47,890	-	389,225
Assigned	3,220,122	1,782,215	436,405	-	5,438,742
Unassigned	2,831,588	-	-	-	2,831,588
<i>Total Fund Balances</i>	<u>\$ 6,224,781</u>	<u>\$ 1,950,479</u>	<u>\$ 484,295</u>	<u>\$ 206,279</u>	<u>\$ 8,865,834</u>

See accompanying notes to the basic financial statements

**Greene County Public Library
Greene County**

*Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2020*

	General	Building & Repair Fund	Technology Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 6,856,009	\$ -	\$ -	\$ -	\$ 6,856,009
Intergovernmental	5,418,038	-	-	-	5,418,038
Patron Fines and Fees	46,582	-	-	-	46,582
Contributions, Gifts and Donations	2,794	-	-	484	3,278
Earnings on Investments	53,718	-	-	814	54,532
Refunds and reimbursements	238,496	-	-	-	238,496
Grants	8,000	-	-	175,000	183,000
<i>Total Receipts</i>	<u>12,623,637</u>	<u>-</u>	<u>-</u>	<u>176,298</u>	<u>12,799,935</u>
Disbursements					
Current:					
Library Services:					
Public Service and Programs	4,861,009	-	-	-	4,861,009
Collection Development and Processing	791,642	-	-	-	791,642
Library Materials	1,606,930	-	-	7,408	1,614,338
Support Services:					
Facilities Operation and Maintenance	783,636	-	-	-	783,636
Information Services	950,548	-	-	-	950,548
Business Administration	1,447,653	-	-	67,515	1,515,168
Capital Outlay	63,770	682,487	55,977	15,394	817,628
<i>Total Disbursements</i>	<u>10,505,188</u>	<u>682,487</u>	<u>55,977</u>	<u>90,317</u>	<u>11,333,969</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	2,118,449	(682,487)	(55,977)	85,981	1,465,966
Other Financing Sources (Uses)					
Transfers In	-	506,631	50,000	-	556,631
Transfers Out	(556,631)	-	-	-	(556,631)
<i>Total Other Financing Sources (Uses)</i>	<u>(556,631)</u>	<u>506,631</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,561,818	(175,856)	(5,977)	85,981	1,465,966
<i>Fund Balances Beginning of Year</i>	<u>4,662,963</u>	<u>2,126,335</u>	<u>490,272</u>	<u>120,298</u>	<u>7,399,868</u>
<i>Fund Balances End of Year</i>	<u>\$ 6,224,781</u>	<u>\$ 1,950,479</u>	<u>\$ 484,295</u>	<u>\$ 206,279</u>	<u>\$ 8,865,834</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 6,926,000	\$ 6,618,901	\$ 6,856,009	\$ 237,108
Intergovernmental	4,558,144	5,004,493	5,418,038	413,545
Patron Fines and Fees	50,000	35,800	46,582	10,782
Contributions, Gifts and Donations	-	-	2,794	2,794
Earnings on Investments	14,000	74,066	53,718	(20,348)
Refunds and reimbursements	95,000	75,000	238,496	163,496
Grants	-	-	8,000	8,000
<i>Total receipts</i>	<u>11,643,144</u>	<u>11,808,260</u>	<u>12,623,637</u>	<u>815,377</u>
Disbursements				
Current:				
Library Services:				
Public Service and Programs	5,510,050	5,299,198	4,895,343	403,855
Collection Development and Processing	888,864	873,004	796,521	76,483
Library Materials	2,411,735	2,047,636	1,700,435	347,201
Support Services:				
Facilities Operation and Maintenance	1,154,354	1,116,596	843,625	272,971
Information Services	1,092,889	1,095,456	966,630	128,826
Business Administration	2,002,393	1,931,567	1,426,124	505,443
Contingency	50,000	50,000	-	50,000
Capital Outlay	169,442	103,349	64,612	38,737
<i>Total Disbursements</i>	<u>13,279,727</u>	<u>12,516,806</u>	<u>10,693,290</u>	<u>1,823,516</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(1,636,583)	(708,546)	1,930,347	2,638,893
Other Financing Sources (Uses)				
Transfers Out	(750,000)	(1,756,631)	(556,631)	1,200,000
<i>Total Other Financing Sources (Uses)</i>	<u>(750,000)</u>	<u>(1,756,631)</u>	<u>(556,631)</u>	<u>1,200,000</u>
<i>Net Change in Fund Balance</i>	(2,386,583)	(2,465,177)	1,373,716	3,838,893
<i>Fund Balance Beginning of Year</i>	1,841,572	1,841,572	1,841,572	-
Prior Year Encumbrances Appropriated	223,444	223,444	223,444	-
<i>Fund Balance End of Year</i>	<u>\$ (321,567)</u>	<u>\$ (400,161)</u>	<u>\$ 3,438,732</u>	<u>\$ 3,838,893</u>

See accompanying notes to the basic financial statements

**Greene County Public Library
Greene County**

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

Note 1 – Description of the Library and Reporting Entity

The Board of Trustees of Greene County Public Library (the Library) has seven members appointed by the Common Pleas Court Judges and the Greene County Commissioners, as established by section 3375.22 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued; contracting; acquiring, holding, processing, and disposing of real and personal property; and exercising such powers and privileges as are conferred upon it by law. The Library also determines and operates under its own budget. The control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Trustees appoints a Director/Fiscal Officer, Business Manager/Deputy Fiscal Officer, and two Assistant Deputy Fiscal Officers.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the Library's accounting policies.

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the Library. The statements present the activities of the Library as governmental. Governmental activities generally are financed through taxes, intergovernmental receipts, and other non-exchange transactions.

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

**Greene County Public Library
Greene County**

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building and Repair Fund – The building and repair fund is used to account for receipts that are restricted for the acquisition, construction or repair of major capital projects.

Technology Fund- This fund is used to account for the receipts that are restricted for the acquisition, construction or repair of computer and their peripherals.

The other governmental funds of the Library account for resources whose use is restricted to a particular purpose. Included in the other governmental funds are Special Revenue Funds whose revenue is used only for the purpose of that fund. Also included in other governmental funds are Permanent Funds. These Permanent Funds are made up of non-expendable trust funds that are restricted as to the use of revenue and the preservation of the principal.

C. Basis of Accounting

The Library's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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

**Greene County Public Library
Greene County**

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

Note 2 - Summary of Significant Accounting Policies (continued)

D. Budgetary Process

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

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

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

E. Cash and Cash Equivalents

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

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2020, the Library invested in nonnegotiable certificates of deposit, a money market mutual fund, and STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market mutual fund investment is recorded at the amount reported by Fifth Third Bank on December 31, 2020.

**Greene County Public Library
Greene County**

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

Note 2 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2020 were \$53,718.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The nonspendable portions of endowments are reported as restricted.

G. Inventory and Prepaid Items

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

H. Capital Assets

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

I. Accumulated Leave

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

J. Employer Contributions to Cost-Sharing Pension Plans

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

**Greene County Public Library
Greene County**

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

Note 2 - Summary of Significant Accounting Policies (continued)

K. Long-Term Obligations

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

L. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes the revenue sources that are restricted for the Library's own programs.

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

M. Fund Balance

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

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

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

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

**Greene County Public Library
Greene County**

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

Note 2 - Summary of Significant Accounting Policies (continued)

M. Fund Balance

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The Library may also assign fund balance as a result when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

The Library applies restricted resources first when disbursements 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.

N. Interfund Transactions

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

From	To	Amount
General Fund	Capital Projects - Building and Repair Fund	\$506,631
General Fund	Capital Projects - Technology Fund	50,000
		\$556,631

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (modified cash basis).
2. Multiple funds are combined with the general fund in the financial statements to comply with the requirements of GASB Statement No. 54. The budgetary basis statement presents only the activity of the general fund.

**Greene County Public Library
Greene County**

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

Note 3 – Budgetary Basis of Accounting (continued)

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified cash basis are as follows:

	2020
	<u>General</u>
Modified Cash Basis	\$ 1,561,818
Perspective Difference:	
Retirement	56,383
Encumbrances	<u>(244,485)</u>
Budget Basis	<u>\$(1,373,716)</u>

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**Greene County Public Library
Greene County**

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

Note 4 – Deposits and Investments (continued)

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time, if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$850 in undeposited, petty cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, the carrying amount of the Library's deposits was \$2,987,724 and the bank balances were \$3,189,774. None of the bank balance was exposed to custodial credit risk. The Library's financial institutions were approved for a reduced collateral rate of 102 percent through the Ohio Pooled Collateral System.

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

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

**Greene County Public Library
Greene County**

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

Note 4 – Deposits and Investments (continued)

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

B. Investments

The Library reports their investments at cost or net asset value per share. The net asset value of this investment is not materially different from cost. As of December 31, 2020, the Library had the following investment:

	Book Value	Percent Of Total Portfolio	Credit Rating	Weighted Average Maturity
Certificates of Deposit	\$1,992,000	33.89%	Aaa	.88 Years
Money Market Mutual Fund	1,247,281	21.22%	Aa3	n/a
StarOhio	2,637,979	44.88%	AAA	55.8 days
Total Investments	<u>\$5,877,260</u>			

Investment Maturities (In Years)		
Security Type	Measurement	
	Amount	Less Than 1
Certificates of Deposit	\$ 1,992,000	\$ 1,992,000
Money Market Mutual Fund	1,247,281	1,247,281
STAR Ohio	2,637,979	2,637,979
Total Investments	<u>\$ 5,877,260</u>	<u>\$ 5,877,260</u>

Interest rate risk arises because the fair value of investment changes as interest rates change. The Library's investment policy addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

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

**Greene County Public Library
Greene County**

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

Note 5 – Grants in Aid and Property Taxes

Grants in Aid

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

Property Taxes

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

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

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

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

The full tax rate for all Library operations for the year ended December 31, 2019, was \$1.90 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property	\$4,539,266,920
Public Utility Personal Property	<u>153,241,660</u>
Total	<u><u>\$4,692,508,580</u></u>

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

Note 6 - Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Library has not reduced coverage from last year. Settlement amounts did not exceed insurance coverage for the past two years.

**Greene County Public Library
Greene County**

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

Note 6 - Risk Management (continued)

The Greene County Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Crime, including employee dishonesty and theft, disappearance and destruction
- Inland marine

Note 7 - Defined Benefit Pension Plan

The employees of the Library participate in the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement, and public safety divisions. While members may elect the Member-Directed Plan and the Combined Plan, substantially all members are in the OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

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

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

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

**Greene County Public Library
Greene County**

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

Note 7 - Defined Benefit Pension Plan (continued)

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

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

When a Traditional Plan benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2020, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

**Greene County Public Library
Greene County**

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

Note 7 - Defined Benefit Pension Plan (continued)

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

** This employer health care rate is for the Traditional and Combined Plans. The employer contribution for the Member-Directed plan is 4 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contributions to OPERS for the year ended December 2020 was \$722,775. All required contributions were made prior to the end of the year.

Note 8 – Post-employment Benefits

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Please see the Plan Statement in the OPERS ACFR for details.

**Greene County Public Library
Greene County**

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

Note 8 – Post-employment Benefits (continued)

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, State and Local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2020.

**Greene County Public Library
Greene County**

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

Note 9 – Fund Balances

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

2020 Fund Balances	General	Building & Repair Fund	Technology Fund	Other Governmental Funds	Total
Nonspendable					
Principal in Trust Funds	\$ -	\$ -	\$ -	\$ 28,817	\$ 28,817
Restricted for					
Library Materials	-	-	-	85,261	85,261
Coronavirus Relief	-	-	-	92,201	92,201
Total Restricted	-	-	-	<u>177,462</u>	<u>177,462</u>
Committed to					
Retirement Payouts	173,071	-	-	-	173,071
Encumbrances	-	<u>168,264</u>	<u>47,890</u>	-	<u>216,154</u>
Total Committed	<u>173,071</u>	<u>168,264</u>	<u>47,890</u>	-	<u>389,225</u>
Assigned to					
Subsequent Appropriations	2,975,637	-	-	-	2,975,637
Board Assignment	-	1,782,215	436,405	-	2,218,620
Encumbrances	<u>244,485</u>	-	-	-	<u>244,485</u>
Total Assigned	<u>3,220,122</u>	<u>1,782,215</u>	<u>436,405</u>	-	<u>5,438,742</u>
Unassigned					
	<u>2,831,588</u>	-	-	-	<u>2,831,588</u>
Total Fund Balances	<u>\$6,224,781</u>	<u>\$1,950,479</u>	<u>\$484,295</u>	<u>\$206,279</u>	<u>\$8,865,834</u>

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2020, is \$3,362,809.

**Greene County Public Library
Greene County**

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

Note 10 – Subsequent Event

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

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

Greene County Public Library
Greene County
76 East Market Street P.O. Box 520
Xenia, Ohio 45385

To the Board of Trustees:

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' the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene County Public Library, Greene County, Ohio (the Library), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated June 7, 2022, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library.

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 purposes 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2021-001 to be a material weakness.

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*.

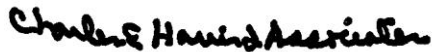
We also noted a certain other matter not requiring inclusion in this report that we reported to management in a separate letter dated June 7, 2022.

Library's Response to Finding

The Library's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the Library's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Charles E. Harris & Associates, Inc.
June 7, 2022

GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2021-001
Material Weakness

Incorrect Financial Statement Presentation

The Library is responsible for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Due to lack of adequate controls over financial reporting, the following material misstatements were noted in the Library's financial statements, requiring adjustments to be posted to the financial statements to correct the misstatement:

- On the 2021 and 2020 Statements of Net Position, the Library reported the Capital Projects balances as restricted. These balances should be included with Unrestricted Net Position.
- On the 2021 Statement of Activities, the Library included State Library funding of \$165,609 as program receipts. This amount should be included with Unrestricted Grants.
- On the 2020 Statement of Activities, the Library included State Library funding of \$483,698 and Homestead Rollback funding of \$6,442 with Property and Other Local Taxes. These amounts should be included with Unrestricted Grants
- On the 2021 and 2020 Statements of Assets and Fund Balances has following incorrect information:
 - Statements had a column reporting Budget Stabilization amounts. This fund should be included with the General Fund.
 - All assets were reported as Equity in Pooled Cash and Cash Equivalents. The Library's investments were not reported separately.
 - On the 2020 statements, the Building & Repair and Technology funds which are capital projects funds, reported portions of its fund balance as unassigned. The Library should have included those amounts as assigned.
 - On the 2021 and 2020 statements, the General Fund balances were not correctly allocated. The balances of the Retirement Accrual Benefits Fund should be committed. Encumbrances and the subsequent year appropriations in excess of estimated receipts should be assigned. The remaining fund balance is unassigned.
- The 2021 and 2020 Hinkle reports included Budgetary Statements for the Building & Repair funds. This fund is a capital projects fund and does not require a budgetary statement.
- The Library incorrectly prepared and presented the General fund budgetary statement for 2021 and 2020. The 2021 statement had the incorrect beginning unencumbered balance of \$2,861,972. The beginning balance should have been \$3,438,732. The 2020 statement had the incorrect beginning unencumbered balance of \$2,300,154. The beginning balance should have been \$1,841,572. These statements did not include the correct year-end encumbrances as disbursements as required. Using the incorrect beginning unencumbered balance caused the Library to appropriate \$400,161 more than was available contrary to **Ohio Revised Code Section 5705.39**.

GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY

SCHEDULE OF FINDINGS – (Continued)
DECEMBER 31, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)
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FINDING NUMBER 2021-001
Material Weakness – (Continued)

- In the 2021 and 2020 Notes to the Financial Statements, the Library's reconciliation of General fund operating results with budgetary basis results was incorrect. The results of General fund operations should include the General, Retirement Accrual Benefits, Budget Stabilization and Mildred W. Sandoe funds results. The General Fund budgetary basis results only included the General fund and year-end encumbrances.

The financial statements have been adjusted and reclassified to present the accounting information correctly and the Library has agreed with the required reclassifications.

We recommend that the Library develop and implement policies and procedures to ensure that financial statements and notes are accurately prepared. The Library should refer to Ohio Administrative Code and other Auditor of State guidance. We also recommend the Library refer to Governmental Accounting Standards Board (GASB) Statement No. 54 and Auditor of State Bulletin 2011-004 for assistance in properly classifying fund balances.

Official's Response:

See Corrective Action Plan.

GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY
For the Years Ended December 31, 2021 and 2020

SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2019-001	Incorrect financial statement presentation due to lack of adequate controls over financial reporting.	Not Corrected	See Corrective Action Plan

GREENE COUNTY PUBLIC LIBRARY
GREENE COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
December 31, 2021 and 2020

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2021-001	The Fiscal Officer will closely review and prepare financial statements free from material misstatement.	Immediately	Meldon Brindley Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



GREENE COUNTY PUBLIC LIBRARY

GREENE 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 7/12/2022

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