

LICKING COUNTY LIBRARY

LICKING COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023





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Columbus, Ohio 43215
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Board of Trustees
Licking County Library
101 West Main Street
Newark, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Licking County Library, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. 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 Licking County Library is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 26, 2025

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**LICKING COUNTY LIBRARY
LICKING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Licking County Library
Licking County
101 West Main Street
Newark, Ohio 43055

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Licking County Library, Licking County, Ohio (the Library), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

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

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2023 the Library changed its accounting basis from the cash basis of accounting to the Auditor of State regulatory basis of accounting.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

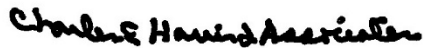
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, 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 20, 2025

**LICKING COUNTY LIBRARY
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 2,645,369	\$ -	\$ -	\$ 2,645,369
Public Library	3,455,105	-	-	3,455,105
Intergovernmental	270,903	14,793	-	285,696
Patron Fines and Fees	42,471	-	-	42,471
Contributions, Gifts and Donations	79,775	-	-	79,775
Earnings on Investments	361,182	-	47,280	408,462
Miscellaneous	47,583	-	-	47,583
<i>Total Cash Receipts</i>	<u>6,902,388</u>	<u>14,793</u>	<u>47,280</u>	<u>6,964,461</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,415,813	-	-	2,415,813
Collection Development and Processing	1,103,843	-	-	1,103,843
Support Services:				
Facilities Operation and Maintenance	643,096	-	20,540	663,636
Information Services	203,721	-	-	203,721
Business Administration	1,038,423	-	25,144	1,063,567
Capital Outlay	135,215	5,450	355,679	496,344
<i>Total Cash Disbursements</i>	<u>5,540,111</u>	<u>5,450</u>	<u>401,363</u>	<u>5,946,924</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,362,277</u>	<u>9,343</u>	<u>(354,083)</u>	<u>1,017,537</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	250,000	250,000
Transfers Out	(250,000)	-	-	(250,000)
Advances In	14,793	5,450	-	20,243
Advances Out	(5,450)	(14,793)	-	(20,243)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(240,657)</u>	<u>(9,343)</u>	<u>250,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,121,620</u>	<u>-</u>	<u>(104,083)</u>	<u>1,017,537</u>
<i>Fund Cash Balances, January 1</i>	<u>7,742,862</u>	<u>-</u>	<u>1,889,920</u>	<u>9,632,782</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,864,482</u>	<u>\$ -</u>	<u>\$ 1,785,837</u>	<u>\$ 10,650,319</u>

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Licking County Library (the Library) was organized as a county district public library in August 2008 under the laws of the State of Ohio. Previously the Library was organized as a school district public library in 1908 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Licking County Commissioners and the Licking County Common Pleas Court. 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, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of Licking County, although the County serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Licking County Commissioners must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on Licking County.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board; and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. The Library has no component units.

Related Organizations

The Mary E. Babcock Friends, Inc., the Buckeye Lake Friends Group, and the Licking County Friends Group are not-for-profit organizations with a self-appointing board. The Library is not financially accountable for the organizations, nor does the Library approve the budget or the issuance of debt of the organizations. Therefore, these organizations have been excluded from the reporting entity of the Library.

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Fund:

Librarians Accelerated Learning Fund The librarians accelerated learning fund accounts for and reports resources committed to helping students recover from the impact of the COVID-19 pandemic, with a focus on students who experienced the greatest disruptions to learning in areas of STEM education.

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

Building & Repair Fund The building and repair fund accounts for and reports resources committed by the Board of Library Trustees specifically for major capital and technology improvements.

Basis of Accounting

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

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

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases and SBITAs

The Library is the lessee in various leases (as defined by GASB 87) related to buildings and office equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

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 Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Basis of Accounting

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 6,865,732	\$ 6,902,388	\$ 36,656
Special Revenue	17,267	14,793	(2,474)
Capital Projects	645,000	297,280	(347,720)

2024 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 6,863,673	\$ 5,971,178	\$ 892,495
Special Revenue	7,924	5,450	2,474
Capital Projects	1,133,953	455,363	678,590

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 4 – Deposits and Investments

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

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$ 3,004,191
Certificates of Deposit	4,403,665
Cash on Hand	<u>1,978</u>
Total deposits	7,409,834
U.S. Treasury Notes	740,539
US Government Agency Notes	1,093,298
Money Market Funds	327,318
Commercial Paper	<u>1,079,331</u>
Total investments	3,240,485
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$ 10,650,319</u></u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Library is holding \$0 in unremitted payroll withholdings.

Deposits

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

Investments

The Federal Reserve holds the Library's U.S. Treasury, Government Agency Notes and commercial paper in book-entry form, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities.

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

Note 5 – Grants in Aid and Taxes

Grants in Aid

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 5 – Grants In Aid and Taxes (Continued)

Property Taxes

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

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

Note 6 - Risk Management

Workers' Compensation

The Library participates in the CUSARC School Plan 1 Group Retrospective-Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

Note 7 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Defined Benefit Pension Plan (Continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed ten percent of their gross salaries, and the Library contributed an amount equaling fourteen percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2024.

Note 8 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>
Outstanding Encumbrances	\$ 181,067	\$ 54,000
Total	<u>\$ 181,067</u>	<u>\$ 54,000</u>

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

**LICKING COUNTY LIBRARY
LICKING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 2,553,074	\$ -	\$ -	\$ 2,553,074
Public Library	3,646,719	-	-	3,646,719
Intergovernmental	275,977	18,240	-	294,217
Patron Fines and Fees	38,355	-	-	38,355
Contributions, Gifts and Donations	35,397	-	-	35,397
Earnings on Investments	230,837	-	47,594	278,431
Miscellaneous	145,169	-	-	145,169
<i>Total Cash Receipts</i>	<u>6,925,528</u>	<u>18,240</u>	<u>47,594</u>	<u>6,991,362</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,220,597	2,822	-	2,223,419
Collection Development and Processing	1,007,234	-	-	1,007,234
Support Services:				
Facilities Operation and Maintenance	628,224	-	-	628,224
Information Services	157,593	-	-	157,593
Business Administration	974,940	-	12,684	987,624
Capital Outlay	300,519	24,761	539,316	864,596
<i>Total Cash Disbursements</i>	<u>5,289,107</u>	<u>27,583</u>	<u>552,000</u>	<u>5,868,690</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,636,421</u>	<u>(9,343)</u>	<u>(504,406)</u>	<u>1,122,672</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	355,000	355,000
Transfers Out	(355,000)	-	-	(355,000)
Advances In	18,240	27,583	-	45,823
Advances Out	(27,583)	(18,240)	-	(45,823)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(364,343)</u>	<u>9,343</u>	<u>355,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	<u>1,272,078</u>	<u>-</u>	<u>(149,406)</u>	<u>1,122,672</u>
<i>Fund Cash Balances, January 1, restated</i>	<u>6,470,784</u>	<u>-</u>	<u>2,039,326</u>	<u>8,510,110</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,742,862</u>	<u>\$ -</u>	<u>\$ 1,889,920</u>	<u>\$ 9,632,782</u>

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Description of the Library and Reporting Entity

The Licking County Library (the Library) was organized as a county district public library in August 2008 under the laws of the State of Ohio. Previously the Library was organized as a school district public library in 1908 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Licking County Commissioners and the Licking County Common Pleas Court. 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, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of Licking County, although the County serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Licking County Commissioners must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on Licking County.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board; and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Library. The Library has no component units.

Related Organizations

The Mary E. Babcock Friends, Inc., the Buckeye Lake Friends Group, and the Licking County Friends Group are not-for-profit organizations with a self-appointing board. The Library is not financially accountable for the organizations, nor does the Library approve the budget or the issuance of debt of the organizations. Therefore, these organizations have been excluded from the reporting entity of the Library.

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Fund:

Librarians Accelerated Learning Fund The librarians accelerated learning fund accounts for and reports resources committed to helping students recover from the impact of the COVID-19 pandemic, with a focus on students who experienced the greatest disruptions to learning in areas of STEM education.

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

Building & Repair Fund The building and repair fund accounts for and reports resources committed by the Board of Library Trustees specifically for major capital and technology improvements.

Basis of Accounting

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

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

In 2023, the Library changed its accounting basis from the cash basis of accounting to the Auditor of State regulatory basis of accounting. Previously, the financial statements presented major funds in separate columns and aggregated non-major funds. The Auditor of State's regulatory basis of accounting presents the financial statements on a fund type basis.

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library values U.S. Treasury Notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

Leases and SBITAs

The Library is the lessee in various leases (as defined by GASB 87) related to office equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

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 Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

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.

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Basis of Accounting

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 6,609,475	\$ 6,925,528	\$ 316,053
Special Revenue	35,507	18,240	(17,267)
Capital Projects	585,000	402,594	(182,406)

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 6,756,100	\$ 5,818,294	\$ 937,806
Special Revenue	35,507	27,583	7,924
Capital Projects	961,191	615,344	345,847

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments

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

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$ 313,002
Certificates of Deposit	3,590,836
Variable Rate Certificates of Deposit	172,000
Cash on Hand	<u>1,978</u>
Total deposits	4,077,816
U.S. Treasury Notes	98,898
US Government Agency Notes	972,450
Money Market Funds	2,134,363
Commercial Paper	<u>2,349,255</u>
Total investments	5,554,966
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u>\$9,632,782</u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Library is holding \$0 in unremitted payroll withholdings.

Deposits

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

Investments

The Federal Reserve holds the Library's U.S. Treasury, Government Agency Notes and commercial paper in book-entry form, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities.

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

Note 5 – Grants in Aid and Taxes

Grants in Aid

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 5 – Grants In Aid and Taxes (Continued)

Property Taxes

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

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

Note 6 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of \$9,343 advanced to the Librarians Accelerating Learning Fund from the General Fund to provide working capital for operations or projects.

Note 7 - Risk Management

Worker's Compensation

The Library participates in the CUSARC School Plan 1 Group Retrospective-Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

Licking County Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed ten percent of their gross salaries, and the Library contributed an amount equaling fourteen percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2023.

Note 9 - Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	General	Capital Projects
Outstanding Encumbrances	\$ 174,187	\$ 63,344
Total	\$ 174,187	\$ 63,344

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

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

Licking County Library
Licking County
101 West Main Street
Newark, Ohio 43055

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 cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements of the Licking County Library, Licking County, Ohio (the Library) and have issued our report thereon dated June 20, 2025, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the Library changes its accounting basis from the cash basis of accounting to the Auditor of State regulatory basis of accounting.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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


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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 20, 2025

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OHIO AUDITOR OF STATE KEITH FABER



LICKING COUNTY LIBRARY

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/9/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov