
ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

MEDINA COUNTY DISTRICT LIBRARY

MEDINA COUNTY

A&A
REGULAR AUDIT

For the Year Ended

December 31, 2021

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7574

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Trustees
Medina County District Library
210 South Broadway Street
Medina, Ohio 44256

We have reviewed the *Independent Auditor's Report* of Medina County District Library, Medina County, prepared by Alger & 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. Medina County District Library is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 02, 2022

This page intentionally left blank.

**MEDINA COUNTY DISTRICT LIBRARY
MEDINA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Statement of Net Position – Cash Basis For the Year Ended December 31, 2021	11
Statement of Activities – Cash Basis For the Year Ended December 31, 2021	12
Statement of Assets and Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2021	13
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2021	14
Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2021	15
Notes to the Basic Financial Statements For the Year Ended December 31, 2021	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	33

This page intentionally left blank



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Medina County District Library
Medina County
210 South Broadway Street
Medina, Ohio 44256

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County District Library, Medina 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 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 respective changes in cash-basis financial position and the budgetary comparison for the General Fund for the year then ended in accordance with the cash-basis of accounting described in Note 2.

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.

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 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.

6927 Burgundy Ave NW
North Canton, OH 44720
Phone – 330-353-5851
Fax – 330-768-7574

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the 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 Information

We applied no procedures to management's discussion & analysis. Accordingly, we express no opinion or any other assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 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.

Karen S Alger, CPA
CPA

Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc. ou,
email=ksalger46@att.net, c=US
Date: 2022.05.21 08:02:21 -0400

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

April 12, 2022

This page intentionally left blank

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

This discussion and analysis of the Medina County District Library's (Library) financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2021, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2021 are as follows:

In 2021, net position of governmental activities increased \$2.08 million or 18.3 percent. This is primarily due to the effects of COVID-19, limited library operating hours, suspended projects, reduced spending and increased Public Library Fund receipts.

The Library's general receipts are primarily the Public Library Fund, Property Taxes, and Unrestricted Grants and Entitlements and a Restricted Gift. These receipts represent 99 percent of the total cash received for governmental activities in 2021. Public Library Fund receipts increased by \$546,259 in 2021 over 2020. This fluctuation is due to the return of public library funding as a percentage of the State's General Revenue Fund receipts in July 2013 and higher state revenue collections in 2021.

In 2021, actual Property Tax revenues increased by \$147,855 or 2.5 percent due to new construction, a strengthening housing market, and increased tax collections by the county auditor.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Using the Basic Financial Statements (Continued)

accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2018, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well such as the state's funding levels, the increase/decrease of memberships, the extent of participation in the Library's activities from members and non-members. All these factors considered, give a good picture of the strengths and weaknesses of the organization.

In the statement of net position and the statement of activities, the Library has one type of activity:

Governmental activities - All of the Library's basic services are reported here, including library services, support services, and capital outlay. The Public Library Fund finances most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are all in the governmental category.

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Reporting the Library's Most Significant Funds (Continued)

Governmental Funds - All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library had three major governmental funds in 2021 – the General Fund, the Debt Service Fund, and the Building/Repair Fund. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2021 compared to 2020 on a cash basis:

	(Table 1)	
	Net Position	
	Governmental Activities	
	2021	2020
Assets		
Equity in Pooled Cash and Cash		
Equivalent	\$ 13,454,848	\$ 11,376,400
<i>Total Assets</i>	\$ 13,454,848	\$ 11,376,400
Net Position		
Restricted for:		
Debt Service	\$ 1,103,191	\$ 828,933
Permanent Fund:		
Nonexpendable	12,373	12,373
Unrestricted	12,339,284	10,535,094
<i>Total Net Position</i>	\$ 13,454,848	\$ 11,376,400

As mentioned previously, net assets of governmental activities increased \$2.08 million or 18.3 percent in 2021. This is primarily due to the effects of COVID-19, limited library operating hours, suspended projects, reduced spending and increased Public Library Fund receipts.

Table 2 reflects the changes in net position in 2021 compared to 2020:

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The Library as a Whole (Continued)

(Table 2)
Changes in Net Position

	Governmental Activities	
	2021	2020
Receipts:		
Program Receipts		
Charges for Services and Sales	\$ 116,527	\$ 104,270
Operating Grants and Contributions	0	0
Total Program Receipts	\$ 116,527	\$ 104,270
General Receipts:		
Public Library Fund	4,319,094	3,772,835
Property Taxes Levied for General Purposes	5,995,155	5,847,300
Property Taxes Levied for Debt Service	3,000,134	2,921,446
Unrestricted Gifts and Contributions	26,224	39,452
Restricted Gifts and Contributions	650	474
Grants and Entitlements not Restricted	1,009,056	999,671
Earnings on Investments	80,175	155,653
Intergovernmental Grants Restricted	0	153,000
Miscellaneous	123,277	138,998
Total General Receipts and Special Items	14,553,765	14,028,829
Total Receipts	\$ 14,670,291	\$ 14,133,099
Disbursements:		
Current:		
Library Services:		
Public Services and Programs	\$ 3,810,324	\$ 3,662,219
Collection Development and Processing	2,207,893	2,038,520
Support Services:		
Facilities Operations and Maintenance	693,501	718,413
Information Services	489,656	451,198
Business Administration	1,870,748	1,853,936
Capital Outlay	458,058	588,202
Debt Service:		
Principal Retirement	2,745,000	2,610,000
Interest and Fiscal Charges	316,663	447,163
Total Disbursements	12,591,843	12,369,650
Change in Net Position	2,078,448	1,763,449
Net Position Beginning of Year	11,376,400	9,612,951
Net Position End of Year	\$ 13,454,848	\$ 11,376,400

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The Library as a Whole (Continued)

Program receipts represent less than 1.0 percent in 2021 (excluding revenues for debt service payments) of total receipts and are primarily composed of fees associated with library services and overdue library materials fines.

Public Library Fund and Property Tax receipts, respectively, represent 37.0 and 51.4 percent in 2021 of total receipts (excluding revenues for debt service payments).

Governmental Activities

On the Statement of Activities on page 10, the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. In 2021, the major program disbursements for governmental activities are for Public Services and Programs, Collection Development and Processing, and Business Administration which account for 40, 23 and 20 percent (excluding debt service) of all governmental disbursements, respectively. The next column of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021
Library Services:		
Public Services and Programs	\$ 3,810,324	\$ (3,693,797)
Collection Development and Processing	2,207,893	(2,207,893)
Support Services:		
Facilities Operations and Maintenance	693,501	(693,501)
Information Services	489,656	(489,656)
Business Administration	1,870,748	(1,870,748)
Capital Outlay	458,058	(458,058)
Debt Service:		
Principal Retirement	2,745,000	(2,745,000)
Interest and Fiscal Charges	316,663	(316,663)
Total Expenses	\$ 12,591,842	\$ (12,475,316)

Medina County District Library
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The Library as a Whole (Continued)

The dependence upon tax receipts and the Public Library Fund and other general revenues for governmental activities is demonstrated in the above tables. About 99 percent of disbursements are supported through the Public Library Fund, tax receipts and other general revenues in 2021.

In 2021, the Library's total government funds had receipts of \$14.7 million and disbursements of \$12.6 million. The greatest change within governmental funds occurred within the General Fund, Debt Service Fund. The fund balance of the General Fund increased by \$2.1 million due to prudent fiscal management, COVID-19 related reductions in staffing, programs and projects, and increases in public library fund revenues. Debt Service Fund increased by \$274,258, due to increases in property tax revenues.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds is the General Fund. Under GASB 34 presentation requirements, the Library is not required to present budgetary statements for Debt Service and Capital Project funds.

During 2021, the Library did not amend its General Fund budget. Final disbursements were budgeted at \$11.5 million and actual disbursements were \$10.2 million in 2021. The difference between final budgeted and actual receipts was \$1.4 million due mostly to increases in public library funding and increased tax receipts. The Library kept spending well within total budgeted amounts and had budgetary cash fund balances of \$8.5 million at December 31, 2021.

Capital Assets and Debt Administration

Capital Assets

The Library does not currently record or account for depreciation of its capital assets.

Debt

As of December 31, 2021 the Library's outstanding debt included \$6,113,512 in general obligation and capital appreciation bonds for renovations to three buildings and construction of three new buildings. For further information regarding the Library's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all libraries is to provide quality services to the public while staying within the restrictions imposed by increasing costs.. The Library heavily depends on receipts from the Public Library Fund and Property Taxes.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kelly Conner, Fiscal Officer, Medina County District Library, 210 South Broadway Street, Medina, Ohio 44256.

Medina County District Library, Medina County

Statement of Net Position - Cash Basis

For the Year Ended December 31, 2021

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalent	\$ 13,454,848
<i>Total Assets</i>	<u>\$ 13,454,848</u>
Net Position	
Restricted for:	
Debt Service	\$ 1,103,191
Permanent Fund:	
Nonexpendable	12,373
Unrestricted	<u>12,339,284</u>
<i>Total Net Position</i>	<u>\$ 13,454,848</u>

See accompanying notes to the basic financial statements

Medina County District Library, Medina County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Cash Disbursements	Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Position
			Governmental Activities
Governmental Activities			
Current:			
Library Services:			
Public Services and Programs	\$ 3,810,324	\$ 116,527	\$ (3,693,797)
Collection Development and Processing	2,207,893		(2,207,893)
Support Services:			
Facilities Operation and Maintenance	693,501	-	(693,501)
Information Services	489,656	-	(489,656)
Business Administration	1,870,748	-	(1,870,748)
Capital Outlay	458,058	-	(458,058)
Debt Service:			
Principal Retirement	2,745,000	-	(2,745,000)
Interest and Fiscal Charges	316,663	-	(316,663)
<i>Total Governmental Activities</i>	<u>\$ 12,591,842</u>	<u>\$ 116,527</u>	<u>\$ (12,475,316)</u>
General Receipts:			
Public Library Fund			4,319,094
Property Taxes Levied for General Purposes			5,995,155
Property Taxes Levied for Debt Service			3,000,134
Grants/Entitlements not Restricted to Specific			1,009,056
Unrestricted Gifts and Contributions			26,224
Restricted Gifts and Contributions			650
Intergovernmental Grants Restricted			-
Earnings on Investments			80,175
Miscellaneous			123,277
<i>Total General Receipts and Special Items</i>			<u>14,553,764</u>
Change in Net Position			2,078,448
<i>Net Position Beginning of Year</i>			<u>11,376,400</u>
<i>Net Position End of Year</i>			<u><u>\$ 13,454,848</u></u>

See accompanying notes to the basic financial statements

Medina County District Library, Medina County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2021

	General	Debt Service Fund	Building/Repair Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash/Equivalents	\$ 9,678,489	\$ 1,103,191	\$ 2,056,760	\$ 616,408	\$ 13,454,848
<i>Total Assets</i>	<u>\$ 9,678,489</u>	<u>\$ 1,103,191</u>	<u>\$ 2,056,760</u>	<u>\$ 616,408</u>	<u>\$ 13,454,848</u>
Fund Balances					
Nonspendable	-	-	-	\$ 12,373	\$ 12,373
Restricted	-	1,103,191	-	-	1,103,191
Committed	-	-	-	-	-
Assigned	1,190,866	-	2,056,760	32,262	3,279,888
Unassigned	8,487,623	-	-	571,773	9,059,396
<i>Total Fund Balances</i>	<u>\$ 9,678,489</u>	<u>\$ 1,103,191</u>	<u>\$ 2,056,760</u>	<u>\$ 616,408</u>	<u>\$ 13,454,848</u>

See accompanying notes to the basic financial statements

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

	General	Debt Service Fund	Building/Repair Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 5,995,154	\$ 3,000,134	\$ -	\$ -	\$ 8,995,288
Public Library Fund	4,319,094	-	-	-	4,319,094
Intergovernmental	624,399	384,657	-	-	1,009,056
Intergovernmental Grants	-	-	-	-	-
Patron Fines and Fees	116,527	-	-	-	116,527
Contributions, Gifts and Donations	26,874	-	-	-	26,874
Earnings on Investments	61,448	-	16,887	1,840	80,175
Miscellaneous	118,663	-	-	4,615	123,278
<i>Total Receipts</i>	<u>11,262,159</u>	<u>3,384,791</u>	<u>16,887</u>	<u>6,455</u>	<u>14,670,291</u>
Disbursements					
Current:					
Library Services:					
Public Services and Programs	\$ 3,621,350	\$ -	\$ -	\$ 190,273	\$ 3,811,624
Collection Development and Processing	2,194,187	-	-	13,706	2,207,893
Support Services:					
Facilities Operation and Maintenance	692,265	-	-	-	692,265
Information Services	489,656	-	-	-	489,656
Business Administration	1,821,514	48,871	-	300	1,870,686
Capital Outlay	184,019	-	256,567	17,470	458,057
Debt Service:					
Principal Retirement	-	2,745,000	-	-	2,745,000
Interest and Fiscal Charges	-	316,663	-	-	316,663
<i>Total Disbursements</i>	<u>9,002,992</u>	<u>3,110,533</u>	<u>256,567</u>	<u>221,749</u>	<u>12,591,843</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,259,166</u>	<u>274,258</u>	<u>(239,681)</u>	<u>(215,295)</u>	<u>2,078,448</u>
Other Financing Sources (Uses)					
Transfers In	-	-	150,000	-	150,000
Transfers Out	(150,000)	-	-	-	(150,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	2,109,166	274,258	(89,681)	(215,295)	2,078,448
<i>Fund Balances Beginning of Year</i>	<u>7,569,323</u>	<u>828,933</u>	<u>2,146,441</u>	<u>831,704</u>	<u>11,376,400</u>
<i>Fund Balances End of Year</i>	<u>\$ 9,678,489</u>	<u>\$ 1,103,191</u>	<u>\$ 2,056,760</u>	<u>\$ 616,409</u>	<u>\$ 13,454,848</u>

See accompanying notes to the basic financial statements

Medina County District Library, Medina 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	\$ 5,600,000	\$ 5,600,000	\$ 5,995,155	\$ 395,155
Public Library Fund	3,385,496	3,385,496	4,319,094	933,598
Intergovernmental	620,000	620,000	624,399	4,399
Patron Fines and Fees	104,000	104,000	116,527	12,527
Contributions, Gifts and Donations	21,350	21,350	26,874	5,524
Earnings on Investments	65,000	65,000	61,448	(3,552)
Miscellaneous	35,504	35,504	118,663	83,159
<i>Total Receipts</i>	<u>9,831,350</u>	<u>9,831,350</u>	<u>11,262,159</u>	<u>1,430,809</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	\$ 4,241,326	\$ 4,241,326	\$ 3,810,493	\$ 430,834
Collection Development and Processing	2,953,590	2,953,590	2,767,700	185,891
Support Services:				
Facilities Operation and Maintenance	1,094,210	1,094,210	887,757	206,453
Information Services	537,758	537,758	510,222	27,537
Business Administration	2,476,339	2,476,339	1,988,825	487,515
Capital Outlay	175,072	175,072	187,091	(12,020)
<i>Total Disbursements</i>	<u>11,478,297</u>	<u>11,478,297</u>	<u>10,152,089</u>	<u>1,326,209</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,646,947)</u>	<u>(1,646,947)</u>	<u>1,110,071</u>	<u>(2,757,017)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (150,000)	\$ (150,000)	\$ (150,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,796,947)	(1,796,947)	960,071	(2,757,017)
<i>Unencumbered Fund Balance Beginning of Year</i>	6,417,393	6,417,393	6,417,393	-
Prior Year Encumbrances Appropriated	1,151,930	1,151,930	1,151,930	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 5,772,376</u>	<u>\$ 5,772,376</u>	<u>\$ 8,529,393</u>	<u>\$ (2,757,017)</u>
See accompanying notes to the basic financial statements				

Medina County District Library

Medina County, Ohio

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

Note 1 – Description of the Library and Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Medina County District Library, Medina County, Ohio, (the Library) as a body corporate and politic. Medina County District Library is a Library as defined by Section 3375.19 of the Ohio Revised Code.

A seven-member Board governs the Library, which provides the community with various educational and literacy resources. Of the seven Board members, three are appointed by the Judge of the Court of Common Pleas and four are appointed by the Board of the County Commissioners. All Board members are qualified electors of the Library District. Appointments are for seven-year terms and members serve without compensation. The officers of the Board are the president, vice president and secretary, who are all elected and serve a term of one year.

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. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, the financial statements of the Medina County District Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are described below.

Basis of Presentation

The Library's basic financial statements consist of government-wide financial 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 all financial activities of the Library. Governmental activities generally are financed through the Public Library Fund and property taxes.

The statement of net position presents the cash basis financial condition of governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service 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

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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 activity is self-financing on a cash basis or draws from the Library's general receipts.

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

Fund Accounting

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

Governmental Funds Governmental funds are those through which most government functions of the Library are financed. Governmental funds reporting focuses on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. 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.

Debt Service Fund This fund is used to account for receipts that are restricted for the payment of general obligation bonds.

Building/Repair Fund This fund is used to account for receipts that are restricted for the repair and renovation of buildings, grounds and facilities.

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

Basis of Accounting

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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

Budgetary Process

All funds are legally required to be appropriated. The Library Board of Trustees 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 fund, function and object level of control.

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 appropriation 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.

Cash and Cash Equivalents

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased 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 (contra revenue), respectively.

During 2021, investments were limited to STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the General Fund during 2021 amounted to \$61,448. Per the Library Board's policy, interest on investments are also received to other library Funds as well.

Restricted Assets

Cash, cash equivalents, and investments 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 imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Library has no restricted assets.

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.

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.

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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 Library Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general receipts. The Library had one interfund transfer in 2021 from the General Fund to the Building/Repair Fund (Capital Fund) in the amount of \$150,000.

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.

Accumulated Leave

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

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 postretirement health care benefits.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. For more detail refer to Note 9 of these financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. In 2021, net assets were restricted for \$1,103,191 in the debt service fund, and \$12,373 in the permanent fund.

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 – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end December 31, 2021 amounted to \$1,149,097 for the General Fund.

Note 4 – Deposits and Investments

State statutes classify monies held by the Library into three categories.

Active deposits are public deposits necessary to meet current demands on the Library treasury. Such 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 Library 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 may 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;

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificate of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio or 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 (or a period not to exceed one hundred eighty days) and commercial paper notes (for a period no to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) and (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. Except as noted above, 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end 2021, the Library had \$902 in undeposited cash on hand, which is included on the balance sheet of the Library as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. Financial institutions are transitioning to OPCS, but some have been granted

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 4 – Deposits and Investments (Continued)

Deposits (Continued)

extensions that may carry over year end and will be collateralizing with their own collateral pool until they join OPCS. Some of the financial institutions where the Library has deposits are participating in OPCS, while other financial institutions are utilizing specific securities to collateralize 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 December 31, 2021, \$11,169,100 of the Library’s bank balance of \$13,653,353, which includes \$1,484,253 of non-negotiable was exposed to custodial credit risk as those deposits were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the Library’s name.

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 and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured, unless the institution participates in the Treasurer of State’s OPCS program.

Investments

As of December 31, 2021, the Library had the following investments and maturities:

Investment Type	Fair Value		Rating(2)
	12/31/2021	Maturity(1)	
STAR OHIO (investment pool)	\$1,619,759	Daily	Aaa

(1) Weighted Maturity - Days

(2) S&P

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring 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 that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The money markets and Star Ohio are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Library’s name. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 5 – Public Library Fund, Tax Receipts and Tax Abatements

Public Library Fund

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 county's PLF revenues and its population. The two library systems in the county have an agreed-upon schedule of allocation of the county's PLF revenues through 2027 that is provided to the County Budget Commission. The Budget Commission allocates the PLF funds to the Library based on this formula. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

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

Tax Abatements

For purposes of GASB Statement No. 77, the definition of a tax abatement is: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Certain local governments including municipalities, townships and villages in the Library's service district may have entered into abatement agreements that reduced the 2021 tax revenue received by the Library. According to the Medina County Auditor's office, there were 12 different taxing districts that had abatement agreements in place, and the Library's portion of abated taxes totaled \$142,777 for the 2020 tax year that was abated in 2021.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 6 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100% insured.

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years.

Note 7 - Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – All Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the member-directed plan and the combined plan, the majority of employee members are in 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 plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial report referenced above for 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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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. 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 annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plan (Continued)

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
 2021 Actual Contribution Rates	
Employer:	
Pension:	14.0%
 Employee	 10.0%

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

For 2021, the Library's contractually required contribution was \$576,894.

Note 8 - Postemployment Benefits

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

OPERS maintains a cost-sharing, multiple-employer defined benefit 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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 - Postemployment Benefits (Continued)

Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent 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.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 8 - Postemployment Benefits (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$576,894 for year 2021.

Note 9 – Long –Term Liabilities

The changes in the Library's long-term obligations during 2021 consist of the following:

Long-Term Liabilities	Principal		Principal		Amounts Due in One Year
	Outstanding 1/1/2021	Reductions	Outstanding 12/31/2021		
Governmental Activities 2019					
2011 Current Interest Bonds	\$ 8,545,000	\$ 2,745,000	\$ 5,800,000		\$ 2,875,000
2011 Capital Appreciation Bonds	45,000	-	45,000		-
Total	<u>\$ 8,590,000</u>	<u>\$ 2,745,000</u>	<u>\$ 5,845,000</u>		<u>\$ 2,875,000</u>

In 2003, the Library issued \$42,300,000 in general obligation bonds, at rates from 2% - 5.25% and maturity dates from 2004 through 2023, for renovations to three buildings and construction of three new buildings. The voters approved a tax levy to pay off the bonds over 20 years.

In 2011, the Library refunded a portion of the above 2003 Series Bond for \$25,020,000, at rates from 2%-5% and maturity dates from 2012 through 2023. The bonds are to be paid over 12 years. The amount paid to the escrow agent was \$27,445,710, which is the amount left in its account held by its financial institution as of December 31, 2011. This amount is not reported in the Library's cash balance.

This issue is comprised of both current interest bonds, par value \$24,975,000, and capital appreciation bonds, par value \$45,000. The interest rates on the current interest bonds range from 2%-5%. The capital appreciation bonds matured on December 1, 2019 (approximate initial offering yield at maturity 2.81%) at a redemption price equal to 100% of the principal, plus interest at the redemption date. The accreted value at maturity for the capital appreciation bonds is \$225,005.

Principal and interest requirements to retire long-term liabilities outstanding at Dec. 31, 2021, are as follows:

Year Ending Dec. 31	Current Interest Bonds		Capital Appreciation Bonds		
	Principal	Interest	Principal	Interest	Total
2022	2,875,000	179,412			3,054,412
2023	2,925,000		45,000	89,100	3,059,100
Total	<u>\$5,800,000</u>	<u>\$179,412</u>	<u>\$45,000</u>	<u>\$89,100</u>	<u>\$6,113,512</u>

Bonds will be paid from the Debt Service Fund.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 10 – Leases

The Library leases equipment under non-cancelable leases. The Library made lease payments of \$41,112 in 2021. A new lease agreement has not been signed therefore, future lease payments are estimated at \$45,000 for 2022.

Note 11 – 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:

December 31, 2021					
Fund Balances	General	Debt Service Fund	Bldg./Repair Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Endowment for Non-Expendable Trust	-	-	-	12,373	12,373
Total Nonspendable	-	-	-	12,373	12,373
Restricted for:					
Debt Service	-	1,103,191	-	-	1,103,191
Genealogy Activities	-	-	-	571,773	571,773
Total Restricted	-	1,103,191	-	571,773	1,674,964
Assigned to:					
Vendors	1,149,096	-	2,056,760	-	3,205,856
Other - Carryover used for 2021 Budget	41,770	-	-	-	41,770
Endowment Fund	-	-	-	32,262	32,262
Interest Accrued	-	-	-	32,262	32,262
Total Assigned	1,190,866	-	2,056,760	32,262	3,279,889
Unassigned:	8,487,623	-	-	-	8,487,623
<i>Total Fund Cash Balances, December 31</i>	<u>\$ 9,678,489</u>	<u>\$1,103,191</u>	<u>\$ 2,056,760</u>	<u>\$ 616,408</u>	<u>\$ 13,454,848</u>

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Library received no COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The Library's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determine. In addition, the impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

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

Medina County District Library
Medina County
210 South Broadway Street
Medina, Ohio 44256

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 Medina County District Library, Medina 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 April 12, 2022, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles. In addition, as disclosed in Note 12, the United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The ensuing emergency measures will impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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. 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.


6927 Burgundy Ave NW
North Canton, OH 44720
Phone – 330-353-5851
Fax – 330-768-7574

Report on Compliance and Other Matters

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

Purpose of This Report

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

**Karen S
Alger, CPA**  Digitally signed by Karen S Alger,
CPA
DN: cn=Karen S Alger, CPA,
o=Alger & Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2022.05.21 08:02:39 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

April 12, 2022

ALGER & ASSOCIATES, Inc.



PROFESSIONAL FINANCIAL AND COMPLIANCE AUDIT SERVICES

MEDINA COUNTY DISTRICT LIBRARY

MEDINA COUNTY

A&A
REGULAR AUDIT

For the Year Ended

December 31, 2020

6927 Burgundy Ave NW
North Canton, OH 44720
Phone (330) 353-5851
Fax (330) 768-7574

**MEDINA COUNTY DISTRICT LIBRARY
MEDINA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	3
Statement of Net Position – Cash Basis For the Year Ended December 31, 2020	9
Statement of Activities – Cash Basis For the Year Ended December 31, 2020	10
Statement of Assets and Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2020.....	11
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds For the Year Ended December 31, 2020.....	12
Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2020.....	13
Notes to the Basic Financial Statements For the Year Ended December 31, 2020.....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31
Schedule of Prior Audit Finding.....	33

This page intentionally left blank



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Medina County District Library
Medina County
210 South Broadway Street
Medina, Ohio 44256

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County District Library, Medina 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 cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

6927 Burgundy Ave NW
North Canton, OH 44720
Phone – 330-353-5851
Fax – 330-768-7574

Opinion

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

Accounting Basis

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Library. We did not modify our opinion regarding this matter.

Other Matters

Other Information

Our audit was conducted to opine on the financial statements taken as a whole.

We applied no procedures to management's discussion & analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 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.

Karen S Alger, CPA
CPA

Digitally signed by Karen S Alger, CPA
DN: cn=Karen S Alger, CPA, o=Alger &
Associates, Inc, ou,
email=k.alger@kgatt.net, c=US
Date: 2022.05.26 19:43:46 -0400

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

April 12, 2022

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

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

Highlights

Key highlights for 2020 are as follows:

In 2020, net position of governmental activities increased \$1.76 million or 18.3 percent. This is primarily due to the effects of COVID-19, closing the library for several weeks, staff layoffs, and suspended projects and spending.

The Library's general receipts are primarily the Public Library Fund, Property Taxes, and Unrestricted Grants and Entitlements and a Restricted Gift. These receipts represent 98 percent of the total cash received for governmental activities in 2020. Public Library Fund receipts decreased by \$7,054 in 2020 over 2019. This fluctuation is due to effects of COVID-19 on the economy and state tax collections.

In 2020, actual Property Tax revenues increased by \$201,796 or 3.6 percent due to new construction, a strengthening housing market, and increased tax collections by the county auditor.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of

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

Using the Basic Financial Statements (Continued)

accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

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

Reporting the Library as a Whole

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

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well such as the state's funding levels, the increase/decrease of memberships, the extent of participation in the Library's activities from members and non-members. All these factors considered, give a good picture of the strengths and weaknesses of the organization.

In the statement of net position and the statement of activities, the Library has one type of activity:

Governmental activities - All of the Library's basic services are reported here, including library services, support services, and capital outlay. The Public Library Fund finances most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are all in the governmental category.

Governmental Funds - All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that

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

Reporting the Library's Most Significant Funds (Continued)

can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library had three major governmental funds in 2020 – the General Fund, the Debt Service Fund, and the Building/Repair Fund. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

The Library as a Whole

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

	(Table 1)	
	Net Position	
	Governmental Activities	
	2020	2019
Assets		
Equity in Pooled Cash and Cash		
Equivalent	\$ 11,376,400	\$ 9,612,951
<i>Total Assets</i>	\$ 11,376,400	\$ 9,612,951
Net Position		
Restricted for:		
Debt Service	\$ 828,933	\$ 630,767
Genealogical Activities	0	847,783
Permanent Fund:		
Nonexpendable	12,373	12,373
Unrestricted	10,535,094	8,122,028
<i>Total Net Position</i>	\$ 11,376,400	\$ 9,612,951

As mentioned previously, net assets of governmental activities decreased \$1.76 million or 18.3 percent in 2020. This is primarily due to a major renovation at the Medina library to construct a genealogy and maker space area from the proceeds of a distribution of a trust in which the Library was the benefactor.

Table 2 reflects the changes in net position in 2020 compared to 2019:

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

The Library as a Whole (Continued)

(Table 2)
Changes in Net Position

	Governmental Activities	
	2020	2019
Receipts:		
Program Receipts		
Charges for Services and Sales	\$ 104,270	\$ 282,004
Operating Grants and Contributions	0	0
Total Program Receipts	\$ 104,270	\$ 282,004
General Receipts:		
Public Library Fund	3,772,835	3,779,889
Property Taxes Levied for General Purposes	5,847,300	5,645,504
Property Taxes Levied for Debt Service	2,921,446	2,548,833
Unrestricted Gifts and Contributions	39,452	53,639
Restricted Gifts and Contributions	474	51,526
Grants and Entitlements not Restricted	999,672	967,794
Earnings on Investments	155,653	275,199
Intergovernmental Grants Restricted	153,000	0
Miscellaneous	138,997	123,789
Special Item:	0	650,000
Total General Receipts and Special Items	14,028,829	14,096,174
Total Receipts	\$ 14,133,100	\$ 14,378,178
Disbursements:		
Current:		
Library Services:		
Public Services and Programs	\$ 3,662,219	\$ 4,155,022
Collection Development and Processing	2,038,520	2,353,888
Support Services:		
Facilities Operations and Maintenance	718,413	859,113
Information Services	451,198	475,314
Business Administration	1,853,936	2,059,397
Capital Outlay	588,202	1,683,645
Debt Service:		
Principal Retirement	2,610,000	2,319,993
Interest and Fiscal Charges	447,163	740,919
Total Disbursements	12,369,650	14,647,291
Change in Net Position	1,763,449	(269,114)
Net Position Beginning of Year	9,612,951	9,882,065
Net Position End of Year	\$ 11,376,400	\$ 9,612,951

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

The Library as a Whole (Continued)

Program receipts represent less than .9 percent in 2020 (excluding revenues for debt service payments) of total receipts and are primarily composed of fees associated with library services and overdue library materials fines.

Public Library Fund and Property Tax receipts, respectively, represent 34.0 and 52.6 percent in 2020 of total receipts (excluding revenues for debt service payments).

Governmental Activities

On the Statement of Activities on page 10, the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. In 2020, the major program disbursements for governmental activities are for Public Services and Programs, Collection Development and Processing, and Business Administration which account for 39, 22 and 20 percent (excluding debt service) of all governmental disbursements, respectively. The next column of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020
Library Services:		
Public Services and Programs	\$ 3,662,219	\$ (3,557,949)
Collection Development and Processing	2,038,520	(2,038,520)
Support Services:		
Facilities Operations and Maintenance	718,413	(718,413)
Information Services	451,198	(451,198)
Business Administration	1,853,937	(1,853,937)
Capital Outlay	588,202	(588,402)
Debt Service:		
Principal Retirement	2,610,000	(2,610,000)
Interest and Fiscal Charges	447,163	(447,163)
Total Expenses	\$ 12,369,651	\$ (12,265,381)

The dependence upon tax receipts and the Public Library Fund and other general revenues for governmental activities is demonstrated in the above tables. About 99 percent of disbursements are supported through the Public Library Fund, tax receipts and other general revenues in 2020.

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

The Library as a Whole (Continued)

In 2020, the Library's total government funds had receipts of \$14.1 million and disbursements of \$12.4 million. The greatest change within governmental funds occurred within the General Fund, Virginia W. Martin and Building/Repair Funds. The fund balance of the General Fund increased by \$1.8 million due to prudent fiscal management, COVID-19 related reductions in staffing, programs and projects, and increases in property tax revenues. Virginia W. Fund decreased by nearly \$520,000, due a major renovation and construction project that was completed at the end of 2019. The fund balance in the Building/Repair Fund increased by \$271,227 due to transfers in from the General Fund to prepare for future capital projects.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds is the General Fund. Under GASB 34 presentation requirements, the Library is not required to present budgetary statements for Debt Service and Capital Project funds.

During 2020, the Library amended its General Fund budget, increasing it by \$253,000. Final disbursements were budgeted at \$10.8 million and actual disbursements were \$9.6 million in 2020. The difference between final budgeted and actual receipts was \$425,785 due mostly to increased tax receipts. The Library kept spending well within total budgeted amounts and had budgetary cash fund balances of \$6.4 million at December 31, 2020.

Capital Assets and Debt Administration

Capital Assets

The Library does not currently record or account for depreciation of its capital assets.

Debt

As of December 31, 2020 the Library's outstanding debt included \$9,175,175c in general obligation and capital appreciation bonds for renovations to three buildings and construction of three new buildings. For further information regarding the Library's debt, refer to Note 9 to the basic financial statements.

Current Issues

The challenge for all libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Library heavily depends on receipts from the Public Library Fund and Property Taxes. With the uncertainty of the Public Library Fund distribution and the effects of the COVID-19 pandemic, the Library must continue to be fiscally responsible with its taxpayer dollars and at the same time provide great services to the public.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Molly Koch, Fiscal Officer, Medina County District Library, 210 South Broadway Street, Medina, Ohio 44256.

Medina County District Library, Medina County

Statement of Net Position - Cash Basis

For the Year Ended December 31, 2020

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalent	\$ 11,376,400
<i>Total Assets</i>	<u>\$ 11,376,400</u>
Net Position	
Restricted for:	
Debt Service	\$ 828,933
Permanent Fund:	
Nonexpendable	12,373
Unrestricted	<u>10,535,094</u>
<i>Total Net Position</i>	<u>\$ 11,376,400</u>

See accompanying notes to the basic financial statements

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

	Cash Disbursements	Program Cash Receipts Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities			
Current:			
Library Services:			
Public Services and Programs	\$ 3,662,219	\$ 104,270	\$ (3,557,949)
Collection Development and Processing	2,038,520		(2,038,520)
Support Services:			
Facilities Operation and Maintenance	718,413	-	(718,413)
Information Services	451,198	-	(451,198)
Business Administration	1,853,937	-	(1,853,937)
Capital Outlay	588,202	-	(588,202)
Debt Service:			
Principal Retirement	2,610,000	-	(2,610,000)
Interest and Fiscal Charges	447,163	-	(447,163)
<i>Total Governmental Activities</i>	<u>\$ 12,369,651</u>	<u>\$ 104,270</u>	<u>\$ (12,265,381)</u>
General Receipts:			
Public Library Fund			3,772,835
Property Taxes Levied for General Purposes			5,847,300
Property Taxes Levied for Debt Service			2,921,446
Grants/Entitlements not Restricted to Specif			999,672
Unrestricted Gifts and Contributions			39,452
Restricted Gifts and Contributions			474
Intergovernmental Grants Restricted			153,000
Earnings on Investments			155,653
Miscellaneous			138,998
<i>Total General Receipts and Special Items</i>			<u>14,028,830</u>
Change in Net Position			1,763,449
<i>Net Position Beginning of Year</i>			<u>9,612,951</u>
<i>Net Position End of Year</i>			<u><u>\$ 11,376,400</u></u>

See accompanying notes to the basic financial statements

Medina County District Library, Medina County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service Fund</u>	<u>Building/Repair Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash/Equivalents	\$ 7,569,323	\$ 828,933	\$ 2,146,441	\$ 831,703	\$ 11,376,400
<i>Total Assets</i>	<u>\$ 7,569,323</u>	<u>\$ 828,933</u>	<u>\$ 2,146,441</u>	<u>\$ 831,703</u>	<u>\$ 11,376,400</u>
Fund Balances					
Nonspendable	-	-	-	\$ 12,373	\$ 12,373
Restricted	-	828,933	-	-	828,933
Committed	-	-	-	-	-
Assigned	1,649,780	-	2,146,441	32,224	3,828,445
Unassigned	5,919,543	-	-	787,106	6,706,649
<i>Total Fund Balances</i>	<u>\$ 7,569,323</u>	<u>\$ 828,933</u>	<u>\$ 2,146,441</u>	<u>\$ 831,703</u>	<u>\$ 11,376,400</u>

See accompanying notes to the basic financial statements

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

	General	Debt Service Fund	Building/Repair Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 5,847,300	\$ 2,921,446	\$ -	\$ -	\$ 8,768,746
Public Library Fund	3,772,835	-	-	-	3,772,835
Intergovernmental	619,526	380,146	-	-	999,672
Intergovernmental Grants	3,000	-	-	150,000	153,000
Patron Fines and Fees	104,270	-	-	-	104,270
Contributions, Gifts and Donations	39,452	-	-	474	39,926
Earnings on Investments	122,069	-	22,445	11,139	155,653
Miscellaneous	138,533	-	-	464	138,997
<i>Total Receipts</i>	<u>10,646,985</u>	<u>3,301,592</u>	<u>22,445</u>	<u>162,078</u>	<u>14,133,100</u>
Disbursements					
Current:					
Library Services:					
Public Services and Programs	\$ 3,444,220	\$ -	\$ -	\$ 208,485	\$ 3,652,705
Collection Development and Processing	2,025,016	-	-	13,503	2,038,520
Support Services:					
Facilities Operation and Maintenance	686,723	-	-	-	686,723
Information Services	451,198	-	-	-	451,198
Business Administration	1,807,643	46,264	-	41,234	1,895,142
Capital Outlay	33,050	-	151,217	403,934	588,201
Debt Service:					
Principal Retirement	-	2,610,000	-	-	2,610,000
Interest and Fiscal Charges	-	447,163	-	-	447,163
<i>Total Disbursements</i>	<u>8,447,850</u>	<u>3,103,427</u>	<u>151,217</u>	<u>667,156</u>	<u>12,369,651</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,199,135</u>	<u>198,166</u>	<u>(128,772)</u>	<u>(505,078)</u>	<u>1,763,449</u>
Other Financing Sources (Uses)					
Transfers In	-	-	400,000	-	400,000
Transfers Out	(400,000)	-	-	-	(400,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(400,000)</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,799,135	198,166	271,228	(505,078)	1,763,449
<i>Fund Balances Beginning of Year</i>	<u>5,770,188</u>	<u>630,767</u>	<u>1,875,214</u>	<u>1,336,782</u>	<u>9,612,951</u>
<i>Fund Balances End of Year</i>	<u>\$ 7,569,324</u>	<u>\$ 828,933</u>	<u>\$ 2,146,441</u>	<u>\$ 831,704</u>	<u>\$ 11,376,400</u>

See accompanying notes to the basic financial statements

Medina County District Library, Medina 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 5,455,400	\$ 5,455,400	\$ 5,847,299	\$ 391,899
Public Library Fund	3,740,000	3,740,000	3,772,835	32,835
Intergovernmental	600,000	603,000	622,526	19,526
Patron Fines and Fees	210,000	210,000	104,270	(105,730)
Contributions, Gifts and Donations	35,700	35,700	39,452	3,752
Earnings on Investments	98,000	98,000	122,069	24,069
Miscellaneous	69,100	69,100	138,534	69,434
<i>Total Receipts</i>	<u>10,208,200</u>	<u>10,211,200</u>	<u>10,646,985</u>	<u>435,785</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	\$ 3,732,000	\$ 3,732,000	\$ 3,583,002	\$ 148,998
Collection Development and Processing	3,048,500	3,048,500	2,549,004	499,496
Support Services:				
Facilities Operation and Maintenance	1,101,600	1,104,600	887,446	217,154
Information Services	536,000	536,000	472,462	63,539
Business Administration	2,203,500	2,203,500	2,044,957	158,544
Capital Outlay	183,600	183,600	62,910	120,689
<i>Total Disbursements</i>	<u>10,805,200</u>	<u>10,808,200</u>	<u>9,599,781</u>	<u>1,208,421</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(597,000)</u>	<u>(597,000)</u>	<u>1,047,204</u>	<u>(1,644,205)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (150,000)	\$ (400,000)	\$ (400,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(747,000)</u>	<u>(997,000)</u>	<u>647,204</u>	<u>(1,644,205)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	4,805,832	4,805,832	4,805,832	-
Prior Year Encumbrances Appropriated	964,356	964,356	964,356	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 5,023,188</u>	<u>\$ 4,773,188</u>	<u>\$ 6,417,393</u>	<u>\$ (1,644,205)</u>
See accompanying notes to the basic financial statements				

This page intentionally left blank

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 1 – Description of the Library and Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Medina County District Library, Medina County, Ohio, (the Library) as a body corporate and politic. Medina County District Library is a Library as defined by Section 3375.19 of the Ohio Revised Code.

A seven-member Board governs the Library, which provides the community with various educational and literacy resources. Of the seven Board members, three are appointed by the Judge of the Court of Common Pleas and four are appointed by the Board of the County Commissioners. All Board members are qualified electors of the Library District. Each trustee serves a term of seven years. The officers of the Board are the president, vice president and secretary, who are all elected and serve a term of one year.

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. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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

Note 2 - Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, the financial statements of the Medina County District Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are described below.

Basis of Presentation

The Library's basic financial statements consist of government-wide financial 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 all financial activities of the Library. Governmental activities generally are financed through the Public Library Fund and property taxes.

The statement of net position presents the cash basis financial condition of governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service 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

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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 activity is self-financing on a cash basis or draws from the Library's general receipts.

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

Fund Accounting

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

Governmental Funds Governmental funds are those through which most government functions typically are financed. Governmental funds reporting focuses on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid. The difference between governmental fund assets and cash disbursements is reported as fund balance. 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.

Debt Service Fund This fund is used to account for receipts that are restricted for the payment of general obligation bonds.

Building/Repair Fund This fund is used to account for receipts that are restricted for the repair and renovation of buildings, grounds and facilities.

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

Basis of Accounting

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

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

The Library Board of Trustees 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 fund, function and object level of control.

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 appropriation 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.

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 (contra revenue), respectively.

During 2020, investments were limited to STAR Ohio.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2020.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the General Fund during 2020 amounted to \$122,069. Per the Library Board's policy, interest on investments are also receipted to other library Funds as well.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Library has no restricted assets.

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.

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.

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.

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.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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.

Interfund Transactions

Transfers between governmental activities on the government-wide financial statements are reported in the same manner as general receipts. The Library had one interfund transfer in 2020 from the General Fund to the Building/Repair Fund (Capital Fund) in the amount of \$400,000.

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.

Accumulated Leave

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

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 postretirement health care benefits.

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 source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. For more detail refer to Note 9 of these financial statements.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. In 2020, net assets were restricted for \$828,933 in the debt service fund, and \$12,373 in the permanent fund.

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 – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as a restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end December 31, 2020 amounted to \$1,151,929 for the General Fund.

Note 4 – Deposits and Investments

State statutes classify monies held by the Library into three categories.

Active deposits are public deposits necessary to meet current demands on the Library treasury. Such 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 Library has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must be evidenced by depositories.

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 may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (Continued)

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool (STAR Ohio).

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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end 2020, the Library had \$902 in undeposited cash on hand, which is included on the balance sheet of the Library as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. Financial institutions are transitioning to OPCS, but some have been granted extensions that may carry over year end and will be collateralizing with their own collateral pool until they join OPCS. Some of the financial institutions where the Library has deposits are participating in OPCS, while other financial institutions are utilizing specific securities to collateralize 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 December 31, 2020, \$7,925,245 of the Library's bank balance of \$11,642,930, which includes \$2,702,253 of non-negotiable was exposed to custodial credit risk as those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name.

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 and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured, unless the institution participates in the Treasurer of State's OPCS program.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 4 – Deposits and Investments (Continued)

Investments

As of December 31, 2020, the Library had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u> 12/31/2020	<u>Maturity(1)</u>	<u>Rating(2)</u>
STAR OHIO (investment pool)	\$1,118.456	Daily	Aaa
(1) Weighted Maturity - Days		(2) S&P	

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring 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 that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The money markets and Star Ohio are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the Library’s name. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Public Library Fund, Tax Receipts and Tax Abatements

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 county’s PLF revenues and its population. The two library systems in the county have an agreed-upon schedule of allocation of the county’s PLF revenues through 2027 that is provided to the County Budget Commission. The Budget Commission allocates the PLF funds to the Library based on this formula. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

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

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 5 – Public Library Fund, Tax Receipts and Tax Abatements (Continued)

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

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

Tax Abatements

For 2016, Governmental Accounting Standards Board (GASB) Statement No. 77, “Tax Abatement Disclosures” was effective.

A tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments

Certain local governments including municipalities, townships and villages in the Library’s service district may have entered into abatement agreements that reduced the 2020 tax revenue received by the Library. According to the Medina County Auditor’s office, there were 12 different taxing districts that had abatement agreements in place, and the Library’s portion of abated taxes totaled \$145,710 for the 2019 tax year that was abated in 2020.

Note 6 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100% insured.

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years.

Note 7 - Defined Benefit Pension Plan

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – All Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit /defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 - Defined Benefit Pension Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 7 - Defined Benefit Pension Plan (Continued)

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. 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 annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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%
 Employee	 10.0%

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

The Library's contractually required contribution was \$541,203 for year 2020.

Note 8 - Postemployment Benefits

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

Medina County District Library

Medina County, Ohio

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

Note 8 - Postemployment Benefits *(Continued)*

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 8 - Postemployment Benefits (Continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 2020 was 4.0 percent.

The employer contributions that were used to fund post-employment benefits for the year ended December 31, 2020, was \$0

Note 9 – Long –Term Liabilities

The changes in the Library’s long-term obligations during 2020 consist of the following:

Long-Term Liabilities	Principal Outstanding 1/1/2020	Reductions	Principal Outstanding 12/31/2020	Amounts Due in One Year
Governmental Activities 2019				
2011 Current Interest Bonds	\$ 11,155,000	\$ 2,610,000	\$ 8,545,000	\$ 2,745,000
2011 Capital Appreciation Bonds	45,000	-	45,000	-
Total	\$ 11,200,000	\$ 2,610,000	\$ 8,590,000	\$ 2,745,000

In 2003, the Library issued \$42,300,000 in general obligation bonds, at rates from 2% - 5.25% and maturity dates from 2004 through 2023, for renovations to three buildings and construction of three new buildings. The voters approved a tax levy to pay off the bonds over 20 years.

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 9 – Long –Term Liabilities (Continued)

In 2011, the Library refunded a portion of the above 2003 Series Bond for \$25,020,000, at rates from 2%-5% and maturity dates from 2012 through 2023. The bonds are to be paid over 12 years. The amount paid to the escrow agent was \$27,445,710, which is the amount left in its account held by its financial institution as of December 31, 2011. This amount is not reported in the Library’s cash balance.

This issue is comprised of both current interest bonds, par value \$24,975,000, and capital appreciation bonds, par value \$45,000. The interest rates on the current interest bonds range from 2%-5%. The capital appreciation bonds matured on December 1, 2019 (approximate initial offering yield at maturity 2.81%) at a redemption price equal to 100% of the principal, plus interest at the redemption date. The accreted value at maturity for the capital appreciation bonds is \$225,005.

Principal and interest requirements to retire long-term liabilities outstanding at Dec. 31, 2020, are as follows:

Year Ending Dec. 31	Current Interest Bonds		Capital Appreciation Bonds		
	Principal	Interest	Principal	Interest	Total
2021	2,745,000	316,663			3,061,663
2022	2,875,000	179,412			3,054,412
2023	2,925,000		45,000	89,100	3,059,100
Total	\$8,545,000	\$496,075	\$45,000	\$89,100	\$9,175,175

Bonds will be paid from the Debt Service Fund.

Note 10 – Leases

The Library leases equipment under non-cancelable leases. The Library made lease payments of \$41,153 in 2020. Future lease payments will be \$39,871 in 2021.

THIS SECTION INTENTIONALLY LEFT BLANK

Medina County District Library
Medina County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 – 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:

December 31, 2020					
Fund Balances	General	Debt Service Fund	Bldg/Repair Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Endowment for Non-Expendable Trust	-	-	-	12,373	12,373
Total Nonspendable	-	-	-	12,373	12,373
Restricted for:					
Debt Service	-	828,933	-	-	828,933
CARES Act Expenses				14,387	14,387
Genealogy Activities	-	-	-	772,718	772,718
Total Restricted	-	828,933	-	787,105	1,616,039
Assigned to:					
Vendors	1,151,930	-	2,146,441	-	3,298,371
Other - Carryover used for 2021 Budget	497,850	-	-	-	497,850
Endowment Fund Interest Accrued	-	-	-	32,224	32,224
Total Assigned	1,649,780	-	2,146,441	32,224	3,828,446
Unassigned:	5,919,543	-	-	-	5,919,543
<i>Total Fund Cash Balances, December 31</i>	<u>\$ 7,569,323</u>	<u>\$ 828,933</u>	<u>\$ 2,146,441</u>	<u>\$ 831,704</u>	<u>\$ 11,376,400</u>

Medina County District Library

Medina County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The Library's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Library received CARES Act funding in the amount of \$153,000. These amounts, accounted for in the Library's CARES Act Grant Fund, are reflected as other governmental revenues and expenditures on the accompanying financial statements.



ALGER & ASSOCIATES, Inc.
Certified Public Accountants

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

Medina County District Library
Medina County
210 South Broadway Street
Medina, Ohio 44256

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County District Library, Medina County, (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 April 12, 2022, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles. We also noted in note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Library.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, 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.


6927 Burgundy Ave NW
North Canton, OH 44720
Phone – 330-353-5851
Fax – 330-768-7574

Compliance and Other Matters

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

Purpose of This Report

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

**Karen S
Alger, CPA**  Digitally signed by Karen S Alger,
CPA
DN: cn=Karen S Alger, CPA, o=Alger
& Associates, Inc, ou,
email=ksalger46@att.net, c=US
Date: 2022.05.26 19:44:01 -04'00'

Alger & Associates, Inc.
Certified Public Accountants
North Canton, Ohio

April 12, 2022

MEDINA COUNTY DISTRICT LIBRARY
MEDINA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2019-001	Significant Deficiency Major Special Revenue Budgetary Comparison Statement	Yes	Finding No Longer Valid

OHIO AUDITOR OF STATE KEITH FABER



MEDINA COUNTY DISTRICT LIBRARY

MEDINA 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 6/14/2022

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