

***TROY-MIAMI COUNTY PUBLIC LIBRARY***

***MIAMI COUNTY, OHIO***

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**







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Board of Trustees  
Troy-Miami County Public Library  
419 West Main Street  
Troy, Ohio 45373

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

August 31, 2023

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**Troy-Miami County Public Library  
Miami County**

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**INDEPENDENT AUDITOR'S REPORT**

Troy-Miami County Public Library  
Miami County  
419 West Main Street  
Troy, Ohio 45373

To the Board of Trustees:

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

***Unmodified and Adverse Opinions***

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

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

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

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

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

***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2023, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

June 2, 2023

**TROY-MIAMI COUNTY PUBLIC LIBRARY  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 624,105	\$ -	\$ -	\$ 624,105
Public Library	1,695,730	-	-	1,695,730
Intergovernmental	78,350	23,919	-	102,269
Patron Fines and Fees	2,846	-	-	2,846
Contributions, Gifts, and Donations	10,934	92,483	4,735	108,152
Earnings on Investments	57,446	1,556	7,816	66,818
Miscellaneous	988	-	-	988
<i>Total Cash Receipts</i>	<u>2,470,399</u>	<u>117,958</u>	<u>12,551</u>	<u>2,600,908</u>
<b>Cash Disbursements</b>				
Current:				
Library Services	-	764	-	764
Public Services and Programs	1,815,110	56,328	-	1,871,438
Collection Development and Processing	169,096	29,612	-	198,708
Support Services:				
Facilities Operation and Maintenance	145,605	-	-	145,605
Information Services	31,755	6,505	-	38,260
Business Administration	61,474	-	35	61,509
Capital Outlay	323,417	88,867	199,475	611,759
<i>Total Cash Disbursements</i>	<u>2,546,457</u>	<u>182,076</u>	<u>199,510</u>	<u>2,928,043</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(76,058)	(64,118)	(186,959)	(327,135)
<b>Other Financing Receipts &amp; Disbursements</b>				
Transfers In	-	2,808	227,000	229,808
Transfers Out	(229,808)	-	-	(229,808)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(229,808)</u>	<u>2,808</u>	<u>227,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(305,866)	(61,310)	40,041	(327,135)
<i>Fund Cash Balances, January 1</i>	<u>3,578,384</u>	<u>161,327</u>	<u>513,168</u>	<u>4,252,879</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,272,518</u>	<u>\$ 100,017</u>	<u>\$ 553,209</u>	<u>\$ 3,925,744</u>

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Troy-Miami County Public Library (the Library), Miami County, was founded in 1896. The Library is a county district library established under the laws of the State of Ohio in accordance with Section 3375.20 of the Ohio Revised Code. The Library has its own Board of Trustees of seven members, four of which are appointed by the County Commissioners and three who are appointed by the Judge of Common Pleas. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising of such powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by the sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely of the Fiscal Officer.

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the county.

The Friends of the Ohio Public Library, Inc. is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the Library for the following reasons.

The Library does not have the ability to access any of the economic resources received or held by the Friends and; the economic resources received from the Friends are not significant to the Library. Note 13 to the financial statements provide additional information for that entity.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had two permanent Special Revenue Funds at the end of 2022.

**The Imagination Library Fund** – The fund was created in 2017 due to the 2015-2016 AOS Audit with beginning balances supplied by the Auditor.

**The Special Revenue Fund** – The fund was created in 2020 to track other designated contributions from donors.

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

**Building & Repair Fund** – This fund accounts for monies set aside by the Board of Library Trustees for major capital and technology improvements.

**Bookmobile Replacement Fund** – This fund accounts for monies set aside by the Board of Library Trustees for replacement of the bookmobile and other associated costs.

***Basis of Accounting***

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

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

***Budgetary Process***

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

A summary of 2022 budgetary activity appears in Note 3.

***Deposits and Investments***

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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

**Capital Assets**

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

**Accumulated Leave**

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

**Leases**

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

The Library leases the building at 12 N. Main St., Pleasant Hill, OH under an annual lease. In consideration for the use and occupancy of the building the Library must operate a library on the premises and provide library services therein. No funds are paid to lease the building from the Village.

In 2022, the Library signed a lease agreement with the Miami County Commissioners to lease 8,533 square feet of the Hobart Center for County Government at 510 West Water Street, Troy, Ohio from Miami County for \$7.75 per square feet. The term of the lease is from March 1, 2022 to February 28, 2032. That space will be renovated and used for administrative offices and a maker space. That space has been partially occupied since mid-2022, and it will be fully occupied by March of 2023 after renovations are completed.

**Fund Balance**

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

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

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

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

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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

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

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

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

**Note 3 – Budgetary Activity**

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

<b>2022 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 2,253,708	\$ 2,470,399	\$ 216,691
Special Revenue	120,135	120,766	631
Capital Projects	234,735	239,551	4,816

<b>2022 Budgeted vs. Actual Budgetary Basic Disbursements</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Disbursements</b>	<b>Variance</b>
General	\$ 3,020,321	\$ 2,780,336	\$ 239,985
Special Revenue	217,437	182,076	35,361
Capital Projects	586,525	199,510	387,015

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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**Note 4 – Deposits and Investments**

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

	2022
Demand Deposits	\$ 146,811
Certificates of Deposit	32,767
Other Time Deposits	<u>1,511,335</u>
Total Deposits	<u>1,690,913</u>
STAR Ohio	2,231,481
Troy Foundation Endowment	<u>3,350</u>
Total Deposits and Investments	<u>\$3,925,744</u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Library is holding \$0 in unremitted employee payroll withholdings.

***Deposits***

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

***Investments***

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

**Note 5 – Grants in Aid and Taxes**

***Grants in Aid***

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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**Note 5 – Grants in Aid and Taxes (continued)**

***Property Taxes***

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

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

***Commercial Insurance***

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and
- Errors and omissions; and
- Library Officials/Bond

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates, OPERS members contributed 10% of their gross salaries, and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has a pick-up plan in effect for all staff members, picking up 8.5% of the required 10% contribution. The Library has paid all contributions required through December 31, 2022.



**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2022*

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**Note 8 – Postemployment Benefits**

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

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

**Note 9 – Construction and Contractual Commitments**

In August 2022, the Library entered into a contract with J.L. Kuck General Contractors to renovate the leased space in the Hobart Center for County Government for \$358,857. By the end of 2022 \$80,166 of change orders had been added to the project for a total of \$439,023. The construction was approximately 62% complete as of December 31, 2022.

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended June, 2021. During 2022, the Library did not receive COVID-19 funding, nor did it change any expenditures to COVID-related funds. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. In addition, the impact on the Library's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Note 11 – Fund Balances**

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

	General
Outstanding Encumbrances	\$ 4,071

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 633,859	\$ -	\$ -	\$ 633,859
Public Library	1,567,527	-	-	1,567,527
Intergovernmental	77,866	103,149	-	181,015
Patron Fines and Fees	2,145	-	-	2,145
Contributions, Gifts, and Donations	11,599	93,232	3,000	107,831
Earnings on Investments	7,599	-	-	7,599
Miscellaneous	48,983	4,350	-	53,333
<i>Total Cash Receipts</i>	<u>2,349,578</u>	<u>200,731</u>	<u>3,000</u>	<u>2,553,309</u>
<b>Cash Disbursements</b>				
Current:				
Library Services	-	3,000	-	3,000
Public Services and Programs	1,327,748	7,519	-	1,335,267
Collection Development and Processing	153,480	55,755	-	209,235
Support Services:				
Facilities Operation and Maintenance	132,152	-	-	132,152
Information Services	3,243	5,460	-	8,703
Business Administration	117,557	35,639	1,410	154,606
Capital Outlay	51,611	30,611	2,945	85,167
<i>Total Cash Disbursements</i>	<u>1,785,791</u>	<u>137,984</u>	<u>4,355</u>	<u>1,928,130</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	563,787	62,747	(1,355)	625,179
<b>Other Financing Receipts &amp; Disbursements</b>				
Transfers In	-	-	70,000	70,000
Transfers Out	(70,000)	-	-	(70,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	493,787	62,747	68,645	625,179
<i>Fund Cash Balances, January 1</i>	<u>3,084,597</u>	<u>98,580</u>	<u>444,523</u>	<u>3,627,700</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 3,578,384</u>	<u>\$ 161,327</u>	<u>\$ 513,168</u>	<u>\$ 4,252,879</u>

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Troy-Miami County Public Library (the Library), Miami County, was founded in 1896. The Library is a county district library established under the laws of the State of Ohio in accordance with Section 3375.20 of the Ohio Revised Code. The Library has its own Board of Trustees of seven members, four of which are appointed by the County Commissioners and three who are appointed by the Judge of Common Pleas. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising of such powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by the sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely of the Fiscal Officer.

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the county.

The Friends of the Ohio Public Library, Inc. is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Therefore, this organization has been excluded from the reporting entity of the Library for the following reasons.

The Library does not have the ability to access any of the economic resources received or held by the Friends and; the economic resources received from the Friends are not significant to the Library.

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

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

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

**Special Revenue Funds** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had two permanent Special Revenue Funds at the end of 2021.

**The Imagination Library Fund** – The fund was created in 2017 due to the 2015-2016 AOS Audit with beginning balances supplied by the Auditor.

**The Special Revenue Fund** – The fund was created in 2020 to track other designated contributions from donors.

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

**Building & Repair Fund** – This fund accounts for monies set aside by the Board of Library Trustees for major capital and technology improvements.

**Bookmobile Replacement Fund** – This fund accounts for monies set aside by the Board of Library Trustees for replacement of the bookmobile and other associated costs.

***Basis of Accounting***

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

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

***Budgetary Process***

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

A summary of 2021 budgetary activity appears in Note 3.

***Deposits and Investments***

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

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

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

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

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

**Note 3 – Budgetary Activity**

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

<b>2021 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 2,016,906	\$ 2,349,578	\$ 332,672
Special Revenue	208,330	200,731	(7,599)
Capital Projects	70,000	73,000	3,000

<b>2021 Budgeted vs. Actual Budgetary Basic Disbursements</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Disbursements</b>	<b>Variance</b>
General	\$ 2,045,454	\$ 1,861,166	\$ 184,288
Special Revenue	241,486	137,984	103,502
Capital Projects	8,000	4,355	3,645

**Note 4 – Deposits and Investments**

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

	2021
Demand Deposits	\$ 216,412
Certificates of Deposit	32,600
Other Time Deposits	4,000,600
Total Deposits	4,249,612
Troy Foundation Endowment	3,267
Total Deposits and Investments	\$4,252,879

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Library is holding \$0 in unremitted employee payroll withholdings.

**Deposits**

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

**Investments**

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

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

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**Note 5 – Grants in Aid and Taxes**

***Grants in Aid***

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

***Property Taxes***

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

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

***Commercial Insurance***

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles and
- Errors and omissions; and
- Library Officials/Bond

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**TROY-MIAMI COUNTY PUBLIC LIBRARY**  
*MIAMI COUNTY*

*NOTES TO THE FINANCIAL STATEMENTS*  
*For the Year Ended December 31, 2021*

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**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. For 2021, OPERS members contributed 10% of their gross salaries, and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has a pick-up plan in effect for all staff members, picking up 8.5% of the required 10% contribution. The Library has paid all contributions required through December 31, 2021.

**Note 8 – Postemployment Benefits**

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

**Note 9 – Fund Balances**

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

	General
Outstanding Encumbrances	\$ 5,375

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

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended June, 2021 while the national state of emergency continues. During 2021, the Library received COVID-19 funding. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. In addition, the impact on the Library's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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

Troy-Miami County Public Library  
Miami County  
419 West Main Street  
Troy, Ohio 45373

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Troy-Miami County Public Library, Miami County (the Library) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated June 2, 2023, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

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

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

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

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

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

***Library's Response to Finding***

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

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***  
June 2, 2023

**TROY-MIAMI COUNTY PUBLIC LIBRARY  
MIAMI COUNTY**

*SCHEDULE OF FINDINGS*  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

**Finding Number 2022-001**

**Material Weakness - Posting of Receipts**

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Due to the lack of internal controls in place to ensure fund balances are properly classified on the financial statements, reclassifications were posted to the financial statements to properly record the Ada Pressman Fund and corresponding activity in the General Fund instead of as a Special Revenue Fund. This resulted in a change of fund balance in the Special Revenue fund of \$494,194 in 2021 and \$236,093 in 2022.

Lack of failure of controls over financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Library's Fiscal Officer implement or improve internal controls over financial reporting to help ensure accurate posting of all transactions to the financial statements.

**Management Response:**

See Corrective Action Plan.

**TROY-MIAMI COUNTY PUBLIC LIBRARY  
MIAMI COUNTY**

*CORRECTIVE ACTION PLAN*  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

**Prepared by Management**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2022-001	The Library has recognized the error made and will ensure the financial statements are properly presented going forward.	Immediately	Dan Reke, Fiscal Officer

# OHIO AUDITOR OF STATE KEITH FABER



**TROY-MIAMI COUNTY PUBLIC LIBRARY**

**MIAMI 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 9/12/2023**

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

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