



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

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CLINTON COUNTY**

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65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Blanchester Public Library  
Clinton County  
110 N. Broadway  
Blanchester, Ohio 45107

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 Blanchester Public Library, Clinton County, Ohio (the Library), as of and for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General fund for the years 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.

***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**

Management is responsible for the other information included in the annual financial report. The other information comprises the management's discussion & analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 29, 2025, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Library's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
April 29, 2025

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Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023

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This discussion and analysis of the Blanchester, Ohio Public Library's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2023, within the limitations of the Library's cash basis of 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 2023 are as follows:

Net position of the library increased \$97,885 during 2023 which was an increase of 9 percent from 2022. This increase in net position was primarily a result of the Library receiving additional state revenue in 2023, compared to 2022.

The Library's general receipts are primarily property taxes and .3428971 of Clinton County's Undivided Library Funds and a 2 mil levy for the library district. These receipts represent 99 percent of the total cash received for governmental activities during 2023. Property tax receipts for 2023 changed very little compared to 2022 as development within the Library District is stable and the Levy is a continuation levy.

### **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 in 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 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.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023

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**Reporting the Library as a Whole**

The statement of net position and the statement of activities reflect how the Library did financially during 2023, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances 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 fines and fees paid by Library patrons of our mission of providing cultural opportunities through books and other media to our patrons. 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 Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for stability in ULF and property taxes.

**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 Library has two governmental funds: the General Fund and the Building and Repair Fund.

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 has two major funds to report for this period – the General Fund and the Building and Repair Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023

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**The Library as a Whole**

Table 1 provides a summary of the Library's net position for 2023 and 2022 on a cash basis:

<b>Table (1)</b>		
<b>Net Position</b>		
	Governmental Activities	Total
<b>Assets</b>		
Cash and Cash Equivalents	\$1,132,197	\$1,034,312
<i>Total Assets</i>	<u>\$1,132,197</u>	<u>\$1,034,312</u>
 <b>Net Position</b>		
Unrestricted	1,132,197	1,034,312
<i>Total Net Position</i>	<u>\$1,132,197</u>	<u>\$1,034,312</u>

As mentioned previously, net position of library activities increased \$97,885 (or 9 percent) during 2023. The primary reason for the net position increase in 2023 was contributed to the property taxes increasing in 2023, compared to 2022. Additionally, the Library, for many years, has had a structurally balanced budget in place where receipts generally exceed disbursements.

Table 2 reflects the changes in net position on a cash basis in 2023 and 2022 for governmental activities.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023

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	Governmental Activities	
	2023	2022
<b>Receipts:</b>		
Program Receipts:		
Charges for Services and Sales	\$ 4,187	\$ 1,630
Total Program Receipts	<u>4,187</u>	<u>1,630</u>
General Receipts:		
Property Taxes	242,654	218,277
Unrestricted Gifts and Contributions	1,272	100
Grants and Entitlements Not Restricted to Specific Programs	593,386	585,180
Interest	1,152	479
Total General Receipts	<u>838,464</u>	<u>804,036</u>
Total Receipts	<u>842,651</u>	<u>805,666</u>
<b>Disbursements:</b>		
Library Services	100,154	98,042
Support Services	522,270	538,831
Capital Outlay	122,342	38,073
Total Disbursements	<u>744,766</u>	<u>674,946</u>
Increase (Decrease) in Net Position	97,885	130,720
Net Position, January 1	<u>1,034,312</u>	<u>903,592</u>
Net Position, December 31	<u>\$ 1,132,197</u>	<u>\$ 1,034,312</u>

Program receipts represent 1% of total receipts for 2023 and 2022 and are generally comprised of fines and fees from patrons for media services.

General receipts are primarily comprised of property taxes (received from property owners) and grants and entitlements not restricted to specific programs (library assistance funds received from the State of Ohio). Both property taxes and grants and entitlements not restricted to specific programs increased in 2023, compared to 2022.

Disbursements for the Library represent the overhead costs of running the Library and the support services provided for the other Library activities. These include the costs of books, media, and consortium fees as well as programs to fulfil the mission of the Library. Other expenses are internal services such as payroll expenses and capital asset maintenance (utilities and building maintenance). Since the library is a service provider, a large portion of the budget is related to staff and infrastructure to provide services for informational, recreational, cultural and educational needs to the library district.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2023

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### **Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of, providing these services. The major program disbursements for library include library services, support services and capital outlay. The next column of the Statement of Activities identifies the amounts paid for fines and fees for library services. 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 of Activities. 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 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Library Services	\$ 100,154	\$ 96,206	\$ 98,042	\$ 97,330
Support Services	522,270	522,031	538,831	537,913
Capital Outlay	122,342	122,342	38,073	38,073
Total Expenses	<u>\$ 744,766</u>	<u>\$ 740,579</u>	<u>\$ 674,946</u>	<u>\$ 673,316</u>

The dependence upon property tax receipts, LLGSF and contributions and donations is apparent as nearly all of the library activities are supported through these general receipts. The fund balance of the Building and Repair Fund decreased \$1,827 during 2023.

### **The Library's Funds.**

For 2023, the Library's funds had total receipts of \$842,651 and disbursements of \$744,766. The fund balance of the General Fund increased \$99,712 during 2023 as a result of the Library receiving increased library support funds in 2023 from the State of Ohio. The fund balance of the Building and Repair Fund decreased \$1,827, during 2023.

General Fund receipts were greater than disbursements in 2023 indicating that the General Fund budget outlook is healthy and the underlying budget is structurally balanced.

### **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 fund is the General Fund.

In 2023, actual receipts exceeded final-budgeted receipts primarily due to property and other local taxes and local government support being greater than anticipated.

Final 2023 General Fund disbursements were budgeted at \$924,400, while actual disbursements were \$749,677. Actual disbursements were less than final-budgeted disbursements as the Library continued to focus on operating efficiently and reduced expenses as aggressively as was feasible.

## **Capital Assets and Debt Administration**

### Capital Assets

As the Library reports on the cash basis of accounting, capital assets are not reported in the accompanying financial statements.

### Debt

At December 31, 2023, the Library did not have any outstanding debt.

### **Current Issues**

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited funding. We rely heavily on local taxes and have very little industry to support the tax base.

### **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 the CFO, Blanchester Public Library, 110 North Broadway, Blanchester,

**Blanchester Public Library**  
*Statement of Net Position - Cash Basis*  
*December 31, 2023*

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	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	<u>\$1,132,197</u>	<u>\$1,132,197</u>
<i>Total Assets</i>	<u>\$1,132,197</u>	<u>\$1,132,197</u>
 <b>Net Position</b>		
Unrestricted	<u>1,132,197</u>	<u>1,132,197</u>
<i>Total Net Position</i>	<u>\$1,132,197</u>	<u>\$1,132,197</u>

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2023*

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in	
	Cash Disbursements	Charges for Services and Sales	Total
<b>Governmental Activities</b>			
Current:			
Library Services:			
Public Services and Programs	21,940	778	(\$21,162)
Collection Development and Processing	78,214		(\$78,214)
Support Services:			
Facilities Operation and Maintenance	28,470	3,409	(\$25,061)
Information Services	28,455		(\$28,455)
Business Administration	465,345		(\$465,345)
Capital Outlay	<u>122,342</u>		(\$122,342)
<i>Total Governmental Activities</i>	<u>744,766</u>	<u>4,187</u>	<u>(740,579)</u>
<i>Total Primary Government</i>	<u>\$744,766</u>	<u>\$4,187</u>	<u>(740,579)</u>
General Receipts:			
Property Taxes Levied for General Purposes		242,654	
Unrestricted Gifts and Contributions		1,272	
Grants/Entitlements not Restricted to Specific Programs		593,386	
Earnings on Investments		1,152	
<i>Total General Receipts</i>		<u>838,464</u>	
Change in Net Position		97,885	
<i>Net Position Beginning of Year</i>		<u>1,034,312</u>	
<i>Net Position End of Year</i>		<u>\$1,132,197</u>	

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Assets and Fund Balances- Cash Basis*  
*Governmental Funds*  
*December 31, 2023*

	General	Building and Repair Fund	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$986,236	\$145,861	\$1,132,097
<i>Total Assets</i>	<b><u>\$986,236</u></b>	<b><u>\$145,861</u></b>	<b><u>\$1,132,097</u></b>
<b>Fund Balances</b>			
Committed		\$145,961	145,961
Assigned	6,973		6,973
Unassigned (Deficit)	<u>979,263</u>		<u>979,263</u>
<i>Total Fund Balances</i>	<b><u>\$986,236</u></b>	<b><u>\$145,961</u></b>	<b><u>\$1,132,197</u></b>

See accompanying notes to the basic financial statements

**Blanchester Public Library**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2023*

	<u>General</u>	<u>Building and Repair Fund</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>			
Property and Other Local Taxes	\$242,654		\$242,654
Public Library	593,386		593,386
Patron Fines and Fees	778		778
Contributions, Gifts and Donations	1,272		1,272
Earnings on Investments	917	235	1,152
Miscellaneous	3,409		3,409
<i>Total Receipts</i>	<u>842,416</u>	<u>235</u>	<u>842,651</u>
<b>Disbursements</b>			
Current:			
Library Services:			
Public Services and Programs	21,940		21,940
Collection Development and Processing	78,214		78,214
Support Services:			
Facilities Operation and Maintenance	28,470		28,470
Information Services	28,455		28,455
Business Administration	465,345		465,345
Capital Outlay	120,280	2,062	122,342
<i>Total Disbursements</i>	<u>742,704</u>	<u>2,062</u>	<u>744,766</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>99,712</u>	<u>(1,827)</u>	<u>97,885</u>
<i>Net Change in Fund Balances</i>	<u>99,712</u>	<u>(1,827)</u>	<u>97,885</u>
<i>Fund Balances Beginning of Year</i>	<u>886,524</u>	<u>147,788</u>	<u>1,034,312</u>
<i>Fund Balances End of Year</i>	<u>\$986,236</u>	<u>\$145,961</u>	<u>\$1,132,197</u>

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 General Fund  
 For the Year Ended December 31, 2023*

	Budgeted Amounts			(Optional) Variance with Final Budget
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$200,000	\$200,000	\$242,654	\$42,654
Public Library	602,720	602,720	593,386	(9,334)
Patron Fines and Fees	200	200	778	578
Contributions, Gifts and Donations			1,272	1,272
Earnings on Investments	100	100	917	817
Miscellaneous			3,409	3,409
<i>Total Receipts</i>	<i>803,020</i>	<i>803,020</i>	<i>842,416</i>	<i>39,396</i>
<b>Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	45,500	45,500	22,287	23,213
Collection Development and Processing	130,350	130,350	81,712	48,638
Support Services:				
Facilities Operation and Maintenance	69,500	69,500	29,909	39,591
Information Services	38,000	38,000	28,455	9,545
Business Administration	512,050	512,050	464,898	47,152
Capital Outlay	129,000	129,000	122,416	6,584
<i>Total Disbursements</i>	<i>924,400</i>	<i>924,400</i>	<i>749,677</i>	<i>174,723</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(121,380)</i>	<i>(121,380)</i>	<i>92,739</i>	<i>214,119</i>
<i>Net Change in Fund Balance</i>	<i>(121,380)</i>	<i>(121,380)</i>	<i>92,739</i>	<i>214,119</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>863,949</i>	<i>863,949</i>	<i>863,949</i>	<i>0</i>
Prior Year Encumbrances Appropriated	22,575	22,575	22,575	0
<i>Unencumbered Fund Balance End of Year</i>	<i>\$765,144</i>	<i>\$765,144</i>	<i>\$979,263</i>	<i>\$214,119</i>

See accompanying notes to the basic financial statements

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**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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**Note 1 – Description of the Library and Reporting Entity**

The Blanchester Public Library (the Library) was organized as a school district public library under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Blanchester Local School District Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education 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 Board of Education.

Under the provisions of Statement No. 61 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Ohio School District.

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 Blanchester Public 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 statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

***Government-wide Financial Statements*** – The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the cash and investment balances, of the 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 of interest earned on grants

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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

that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

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

**General Fund** – The general fund accounts for 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.

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

**Basis of Accounting**

The Library's financial statements are prepared using the cash basis of accounting. 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.

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 liabilities and the related expenses) are not recorded in these financial statements.

**Budgetary Process**

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

BLANCHESTER PUBLIC LIBRARY  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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For control purposes, the Library estimates cash receipts for the year. These estimated receipts,

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

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

During 2023, investments were limited to certificates of deposit. These investments are recorded at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the general fund during 2023 amounted to \$917.

***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 are imposed by law through constitutional provisions or enabling legislation.

***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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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**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:

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

**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.

**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.

**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 Plan**

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

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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***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

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

reported when paid.

**Leases**

For 2023, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

**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. There were no restrictions due to enabling legislation.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available. The Library does not have any amounts that are restricted by enabling legislation.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$6,973 in 2023 for the General Fund.

**Note 4 – Deposits and Investments**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)**

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of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

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 obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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 certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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 Fiscal Officer

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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

***Deposits***

Custodial credit risk 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements

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

could potentially subject the Library to a successful claim by the Federal Deposit Insurance Corporation.

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

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

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

**Note 5 – Grants-in-aid and Property Taxes**

***Grants in Aid***

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

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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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. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2023, was \$2.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

**Note 5 – Grants-in-aid and Property Taxes (Continued)**

Real Property	\$ 197,447,070
Public Utility Personal Property	31,980,510
Total	<u>\$ 229,427,580</u>

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

**Note 6 – Risk Management**

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. During 2023, the Library maintained commercial insurance for comprehensive property and general liability and errors and omissions.

Settled claims have not exceeded this coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

**Note 7 – Defined Benefit Pension Plan**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

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

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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' ACFR referenced above for additional information, including requirements

**Note 7 – Defined Benefit Pension Plan (Continued)**

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
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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**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 the benefit (which includes joint and survivor options and will continue to be administered by OPERS), 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.

Effective January 1, 2023, the Combined Plan is no longer available for member selection.

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

<b>State and Local</b>		<b>2023</b>
Statutory Maximum Contribution Rates		
Employer		14.0%
Employee (1)		10.0%
 Actual Contribution Rates		
Employer:		
Pension (2)		14.0%
Post-employment Health Care Benefits (2)		0.0%
Total Employer		<u>14.0%</u>
Employee		<u>10.0%</u>

(1) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

(2) These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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**Note 7 – Defined Benefit Pension Plan (Continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$46,263 for 2023.

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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 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.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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, 2023, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)

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**Note 8 – Postemployment Benefits (Continued)**

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2023) to participate in the OPERS health care program will continue to be eligible after January 1, 2023. Eligibility requirements change for those retiring after January 1, 2023, 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 2023, 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 2023, 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 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2023.

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
(Continued)**

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**Note 9 – Donated Services**

A neighboring commercial property owner pays for the trash collection services of the Library. In exchange, the Library allows the neighboring commercial property owner to locate their trash receptacle in the Library's parking lot.

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Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022  
Unaudited

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This discussion and analysis of the Blanchester, Ohio Public Library's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2022, within the limitations of the Library's cash basis of 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 2022 are as follows:

Net position of the library increased \$130,720 during 2022 which was an increase of 15 percent from 2021. This increase in net position was primarily a result of the Library receiving additional state revenue in 2022, compared to 2021.

The Library's general receipts are primarily property taxes and .3428971 of Clinton County's Undivided Library Funds and a 2 mil levy for the library district. These receipts represent 99 percent of the total cash received for governmental activities during 2022. Property tax receipts for 2022 changed very little compared to 2021 as development within the Library District is stable and the Levy is a continuation levy.

**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 in 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 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.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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**Reporting the Library as a Whole**

The statement of net position and the statement of activities reflect how the Library did financially during 2022, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances 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 fines and fees paid by Library patrons of our mission of providing cultural opportunities through books and other media to our patrons. 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 Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for stability in ULF and property taxes.

**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 Library has two governmental funds: the General Fund and the Building and Repair Fund.

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 has two major funds to report for this period – the General Fund and the Building and Repair Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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**The Library as a Whole**

Table 1 provides a summary of the Library's net position for 2022 and 2021 on a cash basis:

(Table 1)  
**Net Position**

	Governmental Activities	
	2022	2021
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,034,312	\$ 903,592
Total Assets	<u>\$ 1,034,312</u>	<u>\$ 903,592</u>
<b>Net Position</b>		
Unrestricted	\$ 1,034,312	\$ 903,592
Total Net Position	<u>\$ 1,034,312</u>	<u>\$ 903,592</u>

As mentioned previously, net position of library activities increased \$130,720 (or 15 percent) during 2022. The primary reason for the net position increase in 2022 was the Library receiving additional state revenue in 2022, compared to 2021. Additionally, the Library, for many years, has had a structurally balanced budget in place where receipts generally exceed disbursements.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

Table 2 reflects the changes in net position on a cash basis in 2022 and 2021 for governmental activities.

	Governmental Activities	
	2022	2021
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$ 1,630	\$ 1,012
Total Program Receipts	<u>1,630</u>	<u>1,012</u>
General Receipts:		
Property Taxes	218,277	208,290
Unrestricted Gifts and Contributions	100	100
Grants and Entitlements Not Restricted to Specific Programs	585,180	542,642
Interest	479	354
Total General Receipts	<u>804,036</u>	<u>751,386</u>
Total Receipts	<u>805,666</u>	<u>752,398</u>
Disbursements:		
Library Services	98,042	104,384
Support Services	538,831	461,277
Capital Outlay	38,073	755
Total Disbursements	<u>674,946</u>	<u>566,416</u>
Increase (Decrease) in Net Position	130,720	185,982
Net Position, January 1	<u>903,592</u>	<u>717,610</u>
Net Position, December 31	<u>\$ 1,034,312</u>	<u>\$ 903,592</u>

Program receipts represent 1% of total receipts for 2022 and 2021 and are generally comprised of fines and fees from patrons for media services.

General receipts are primarily comprised of property taxes (received from property owners) and grants and entitlements not restricted to specific programs (library assistance funds received from the State of Ohio). Both property taxes and grants and entitlements not restricted to specific programs increased in 2022, compared to 2021.

Disbursements for the Library represent the overhead costs of running the Library and the support services provided for the other Library activities. These include the costs of books, media, and consortium fees as well as programs to fulfil the mission of the Library. Other expenses are internal services such as payroll expenses and capital asset maintenance (utilities and building maintenance). Since the library is a service provider, a large portion of the budget is related to staff and infrastructure to provide services for informational, recreational, cultural and educational needs to the library district.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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### **Governmental Activities**

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of, providing these services. The major program disbursements for library include library services, support services and capital outlay. The next column of the Statement of Activities identifies the amounts paid for fines and fees for library services. 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 of Activities. 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 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Library Services	\$ 98,042	\$ 97,330	\$ 104,384	\$ 103,509
Support Services	538,831	537,913	461,277	461,140
Capital Outlay	38,073	38,073	755	755
Total Expenses	<u>\$ 674,946</u>	<u>\$ 673,316</u>	<u>\$ 566,416</u>	<u>\$ 565,404</u>

The dependence upon property tax receipts, LLGSF and contributions and donations is apparent as nearly all of the library activities are supported through these general receipts.

### **The Library's Funds**

For 2022, the Library's funds had total receipts of \$805,666 and disbursements of \$674,946. The fund balance of the General Fund increased \$120,609 during 2022 as a result of the Library receiving increased library support funds in 2022 from the State of Ohio. The fund balance of the Building and Repair Fund increased \$10,111 in 2022

General Fund receipts were greater than disbursements in 2022 indicating that the General Fund budget outlook is healthy and the underlying budget is structurally balanced.

### **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 fund is the General Fund.

In 2022, actual receipts exceeded final-budgeted receipts primarily due to property and other local taxes and local government support being greater than anticipated.

Final 2022 General Fund disbursements were budgeted at \$916,968, while actual disbursements were \$697,521. Actual disbursements were less than final-budgeted disbursements as the Library continued to focus on operating efficiently and reduced expenses as aggressively as was feasible.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

As the Library reports on the cash basis of accounting, capital assets are not reported in the accompanying financial statements.

Blanchester Public Library  
Management's Discussion and Analysis  
For the Year Ended December 31, 2022

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Debt

At December 31, 2022, the Library did not have any outstanding debt.

**Current Issues**

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited funding. We rely heavily on local taxes and have very little industry to support the tax base.

**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 the CFO, Blanchester Public Library, 110 North Broadway, Blanchester, OH 45107.

**Blanchester Public Library**  
*Statement of Net Position - Cash Basis*  
*December 31, 2022*

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	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	<u>\$1,034,312</u>	<u>\$1,034,312</u>
<i>Total Assets</i>	<u>\$1,034,312</u>	<u>\$1,034,312</u>
 <b>Net Position</b>		
Unrestricted	<u>1,034,312</u>	<u>1,034,312</u>
<i>Total Net Position</i>	<u>\$1,034,132</u>	<u>\$1,034,312</u>

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2022*

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales
	Total	
<b>Governmental Activities</b>		
Current:		
Library Services:		
Public Services and Programs	19,815	712
Collection Development and Processing	78,227	(\$19,103)
Support Services:		
Facilities Operation and Maintenance	26,011	918
Information Services	27,413	(\$25,093)
Business Administration	485,407	(\$27,413)
Capital Outlay	38,073	(\$485,407)
		(\$38,073)
<i>Total Governmental Activities</i>	<u>674,946</u>	<u>1,630</u>
		(673,316)
<i>Total Primary Government</i>	<u>\$674,946</u>	<u>\$1,630</u>
		(673,316)
General Receipts:		
Property Taxes Levied for General Purposes	218,277	
Unrestricted Gifts and Contributions	100	
Grants/Entitlements not Restricted to Specific Programs	585,180	
Earnings on Investments	479	
<i>Total General Receipts</i>	<u>804,036</u>	
		130,720
<i>Change in Net Position</i>		
<i>Net Position Beginning of Year</i>		<u>903,592</u>
<i>Net Position End of Year</i>		<u>\$1,034,312</u>

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Assets and Fund Balances- Cash Basis*  
*Governmental Funds*  
*December 31, 2022*

	General	Building and Repair Fund	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$886,524	\$147,788	\$1,034,312
<i>Total Assets</i>	<b><u>\$886,524</u></b>	<b><u>\$147,788</u></b>	<b><u>\$1,034,312</u></b>
<b>Fund Balances</b>			
Committed		\$147,788	147,788
Assigned	22,575		22,575
Unassigned (Deficit)	<u>863,949</u>		863,949
<i>Total Fund Balances</i>	<b><u>\$886,524</u></b>	<b><u>\$147,788</u></b>	<b><u>\$1,034,312</u></b>

See accompanying notes to the basic financial statements

**Blanchester Public Library**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
*Governmental Funds*  
*For the Year Ended December 31, 2022*

	General	Building and Repair Fund	Total Governmental Funds
<b>Receipts</b>			
Property and Other Local Taxes	\$218,277		\$218,277
Public Library	585,180		585,180
Patron Fines and Fees	712		712
Contributions, Gifts and Donations	100		100
Earnings on Investments	368	111	479
Miscellaneous	918		918
<i>Total Receipts</i>	<u>805,555</u>	<u>111</u>	<u>805,666</u>
<b>Disbursements</b>			
Current:			
Library Services:			
Public Services and Programs	19,815		19,815
Collection Development and Processing	78,227		78,227
Support Services:			
Facilities Operation and Maintenance	26,011		26,011
Information Services	27,413		27,413
Business Administration	485,407		485,407
Capital Outlay	38,073		38,073
<i>Total Disbursements</i>	<u>674,946</u>	<u>0</u>	<u>674,946</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>130,609</u>	<u>111</u>	<u>130,720</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In		10,000	10,000
Transfers Out	(10,000)		(10,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>120,609</u>	<u>10,111</u>	<u>130,720</u>
<i>Fund Balances Beginning of Year</i>	<u>765,915</u>	<u>137,677</u>	<u>903,592</u>
<i>Fund Balances End of Year</i>	<u>\$886,524</u>	<u>\$147,788</u>	<u>\$1,034,312</u>

See accompanying notes to the basic financial statements

**Blanchester Public Library**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 General Fund  
 For the Year Ended December 31, 2022*

	Budgeted Amounts			(Optional) Variance with Final Budget
	Original	Final	Actual	
<b>Receipts</b>				
Property and Other Local Taxes	\$198,000	\$198,000	\$218,277	\$20,277
Public Library	519,799	519,799	585,180	65,381
Patron Fines and Fees	300	300	712	412
Earnings on Investments	100	100	368	268
Miscellaneous	100	100	918	818
<i>Total Receipts</i>	<i>718,299</i>	<i>718,299</i>	<i>805,455</i>	<i>87,156</i>
<b>Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	36,845	36,845	20,399	16,446
Collection Development and Processing	140,996	140,996	82,671	58,325
Support Services:				
Facilities Operation and Maintenance	63,600	63,600	26,156	37,444
Information Services	38,000	38,000	27,413	10,587
Business Administration	529,717	535,417	485,909	49,508
Capital Outlay	107,610	102,110	54,973	47,137
<i>Total Disbursements</i>	<i>916,768</i>	<i>916,968</i>	<i>697,521</i>	<i>219,447</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(198,469)</i>	<i>(198,669)</i>	<i>107,934</i>	<i>306,603</i>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(10,000)	(10,000)	(10,000)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(208,469)</i>	<i>(208,669)</i>	<i>97,934</i>	<i>306,603</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>736,797</i>	<i>736,797</i>	<i>736,797</i>	<i>0</i>
Prior Year Encumbrances Appropriated	29,118	29,118	29,118	0
<i>Unencumbered Fund Balance End of Year</i>	<i>\$557,446</i>	<i>\$557,246</i>	<i>\$863,849</i>	<i>\$306,603</i>

See accompanying notes to the basic financial statements

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**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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**Note 1 – Description of the Library and Reporting Entity**

The Blanchester Public Library (the Library) was organized as a school district public library under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Blanchester Local School District Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education 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 Board of Education.

Under the provisions of Statement No. 61 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Ohio School District.

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

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 Blanchester Public 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 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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the cash and investment balances, of the 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 of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

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

**General Fund** – The general fund accounts for 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.

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

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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

***Basis of Accounting***

The Library's financial statements are prepared using the cash basis of accounting. 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.

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 liabilities and the related expenses) are not recorded in these financial statements.

***Budgetary Process***

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

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Clerk Treasurer. 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 ordinance 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 are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2022, investments were limited to certificates of deposit. These investments are recorded at cost.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the general fund during 2022 amounted to \$368.

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

***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 are imposed by law through constitutional provisions or enabling legislation.

***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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**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.

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

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.

**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 Plan**

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

**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.

**Leases**

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

**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. There were no restrictions due to enabling legislation.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available. The Library does not have any amounts that are restricted by enabling legislation.

**Note 3 – Budgetary Basis of Accounting**

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

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)**

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results with the budget. The differences between the budgetary basis and the cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding at year-end (budgetary basis) amounted to \$22,575 in 2022 for the General Fund.

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)**

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**Note 4 – Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (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 certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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 Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

***Deposits***

Custodial credit risk 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the Federal Deposit Insurance Corporation.

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

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

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

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**Note 5 – Grants-in-aid and Property Taxes**

***Grants in Aid***

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

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2022, was \$2.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$ 173,776,090
Public Utility Personal Property	19,026,190
Total	<u>\$ 192,802,280</u>

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

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**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. During 2022, the Library maintained commercial insurance for comprehensive property and general liability and errors and omissions.

Settled claims have not exceeded this coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

**Note 7 – Defined Benefit Pension Plan**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

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

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a 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.

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' ACFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)**

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**Note 7 – Defined Benefit Pension Plan (Continued)**

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**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 the benefit (which includes joint and survivor options and will continue to be administered by OPERS), 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.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

<b>State and Local</b>		<hr/> <b>2022</b> <hr/>
Statutory Maximum Contribution Rates		
Employer		14.0%
Employee (1)		10.0%
Actual Contribution Rates		
Employer:		
Pension (2)		14.0%
Post-employment Health Care Benefits (2)		0.0%
Total Employer		<hr/> 14.0% <hr/>
Employee		<hr/> 10.0% <hr/>

- (1) Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- (2) These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**Note 7 – Defined Benefit Pension Plan (Continued)**

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$46,915 for 2022.

**Note 8 – Postemployment Benefits**

***Ohio Public Employees Retirement System***

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 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.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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

BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)

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**Note 8 – Postemployment Benefits (Continued)**

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. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became 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 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 2022, 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 2022, 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2022.

**BLANCHESTER PUBLIC LIBRARY  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022  
(Continued)**

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**Note 9 – Donated Services**

A neighboring commercial property owner pays for the trash collection services of the Library. In exchange, the Library allows the neighboring commercial property owner to locate their trash receptacle in the Library's parking lot.

**Note 10 – Transfers**

During 2022, the General Fund transferred \$10,000 to the Building and Repair Fund in connection with the Library's long-term capital asset management plan.

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65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

Blanchester Public Library  
Clinton County  
110 N. Broadway  
Blanchester, Ohio 45107

To the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Blanchester Public Library, Clinton County, (the Library) as of and for the years ended December 31, 2023 and 2022, 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 29, 2025, noted the Library uses a special purpose framework other than generally accepted accounting principles.

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

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

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

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

Blanchester Public Library  
Clinton County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 2

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
April 29, 2025

# OHIO AUDITOR OF STATE KEITH FABER



BLANCHESTER PUBLIC LIBRARY

CLINTON COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/15/2025

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

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