



OHIO AUDITOR OF STATE
KEITH FABER



**LANE PUBLIC LIBRARY
BUTLER COUNTY
DECEMBER 31, 2022 AND 2021**

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BUTLER COUNTY
DECEMBER 31, 2022 AND 2021**

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OHIO AUDITOR OF STATE

KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Lane Public Library
Butler County
1396 University Boulevard
Hamilton, Ohio 45011

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Lane Public Library, Butler County, Ohio (the Library), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Library, as of December 31, 2022 and 2021, and the respective changes in modified cash-basis financial position thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the modified 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 modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

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

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Butler County
Independent Auditor's Report
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Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2024, 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
March 4, 2024

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Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2022
(Unaudited)

This discussion and analysis of the Lane Public Library's (the Library's) financial performance provides an overall view of the Library's financial activities for the year ended December 31, 2022 within the limitations of the Library's modified cash basis accounting. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Financial Highlights

Key Highlights for 2022 are as follows:

Total Net Position increased by \$1,738,842 or 7.6% from the prior year. The increase is primarily the result of Net Surplus in General Operating Funds.

The Library's general receipts are primarily the Public Library Fund (PLF) and Real Estate Taxes. General receipts represent 98.2% of the total cash received for governmental activities during the year. Real Estate tax receipts decreased by .2% for 2022 and Intergovernmental receipts for 2022 increased by 5.2%.

The Library was able to get back to normal operation compared to the prior two years of dealing with the COVID pandemic. Our in-house programs and events increased in CY 2022 compared to the last two years. Financially, the Library was able to incur a Net Surplus of \$1.739 million for CY 2022. Excluding fund transfers, total receipts increased 2.1% compared to last year and cash disbursements increased 14.8% compared to 2021. The surplus balance the library is carrying will be used primarily for new branch library facilities. We did finalize an agreement to purchase property in Fairfield Township.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Standards Board Statement No. 34 and Statement No. 63, as applicable to the Library's modified cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Library as a financial whole or as an entire operating entity. The statements provide a detailed look at the Library's specific financial activities and conditions on a modified cash basis of accounting.

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified cash basis provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are

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created and maintained on the financial records of the Library to segregate money whose use is restricted to a particular specified purpose. These statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

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

As a result of using the modified 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 modified cash basis of accounting.

Reporting the Library as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2022 within the limitations of modified cash basis accounting. The Statement of Net Position – Modified cash basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's modified cash position and the changes in modified cash position. Keeping in mind the limitations of the modified cash basis of accounting, these changes can then be viewed 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, other nonfinancial factors should be considered as well. These nonfinancial factors include the condition of the Library's capital assets, the extent

Lane Public Library
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of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue source, the Public Library Fund (PLF).

The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified cash basis present governmental activities, which include all of the Library's services. The Library has no business-type activities.

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 has restricted use is being spent for the intended purpose. All of the operating funds of the Library are governmental.

Governmental Funds

All of the Library's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed short-term view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds for 2022 are the General Fund and Capital Projects Fund.

The significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. The governmental fund financial statements can be found beginning on page 13 of this report.

Lane Public Library
 Management's Discussion and Analysis
 For the Year ended December 31, 2022
 (Unaudited)

The Library as a Whole

Recall that the Statement of Net Position pictures the Library as a whole. Table 1 provides a summary of the Library's net position for 2022 on a modified cash basis:

(Table 1)
Net Position – Modified cash

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$15,773,323	\$14,421,905
Investments	<u>8,802,123</u>	<u>8,414,699</u>
Total Assets	<u>\$ 24,575,446</u>	<u>\$22,836,604</u>
Net Position		
Restricted for:		
Special Revenue	365,761	453,937
Committed to:		
Capital Projects	12,720,972	12,597,206
Assigned	4,950,521	5,025,385
Unrestricted	<u>6,538,192</u>	<u>4,760,076</u>
Total Net Position	<u>\$24,575,446</u>	<u>\$22,836,604</u>

The total net position of governmental activities increased by \$1,738,842 or 7.6% for 2022. The primary reasons contributing to the increase in total Net Position are as follows:

The Special Revenue Funds decreased by \$88,175. This is primarily attributed to Lane Oxford Branch HVAC/Geothermal Expenses from the Havighurst Fund, salary and benefit increases for the Smith History Library, COVID related expenses from the Covid Relief Fund and additional purchases of digital materials for the library from various Special Revenue Funds.

Capital Projects increase of \$123,766 for 2022 can primarily be attributed to Earning on Investments. This was offset by legal fees and deposit for the purchase of property from Fairfield Township.

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 (Unaudited)

The decrease of \$74,864 in the Assigned Assets is primarily due to the Capital Outlays from the Building Maintenance Fund for an upgrade to the Hamilton Branch HVAC System and decrease in Earnings on Investments for the Roesel Fund. These were offset by additional contributions to the Elmer B. and Thelma M. Rose Fund in 2022.

The Unrestricted Assets increase of \$1,778,116 is primarily the result of General Operating Fund expenses being less than revenues received in 2022. When possible, the Library would like to incur annual savings by spending less than receipts received for the year. These funds can then be used toward capital projects or operating expenses needed in future years.

Table 2 reflects the changes in net position in 2022 for governmental activities.

(Table 2)
Changes in Net Position

Governmental Activities

	<u>2022</u>	<u>2021</u>
Receipts:		
Program Receipts:		
Charges for Services	\$ 16,457	\$ 17,179
Operating Grants & Contributions	<u>153,858</u>	<u>168,924</u>
Total Program Cash Receipts	<u>170,315</u>	<u>186,103</u>
General Receipts		
Property Taxes Levied	2,329,122	2,333,524
Unrestricted Gifts & Contributions	13,093	1,580
Grants & Entitlements	6,766,387	6,429,666
Earnings on Investments	430,683	555,395
Miscellaneous	<u>12,739</u>	<u>12,190</u>
Total General Receipts	<u>9,552,024</u>	<u>9,332,355</u>
Total Receipts	<u>9,722,339</u>	<u>9,518,458</u>
Disbursements:		
Library Services		
Public Services	3,354,168	2,985,907
Collection Development & Processing	1,769,634	1,254,902
Support Services		
Facilities Operation & Maintenance	910,388	854,986
Information Services	429,430	299,950
Business Administration	1,207,707	1,098,784
Capital Outlay	<u>312,170</u>	<u>462,735</u>
Total Disbursements	<u>7,983,497</u>	<u>6,957,264</u>

Lane Public Library
 Management's Discussion and Analysis
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 (Unaudited)

<i>Change in Net Position</i>	1,738,842	2,561,194
<i>Net Position Beginning of Year</i>	<u>22,836,604</u>	<u>20,275,410</u>
<i>Net Position End of Year</i>	<u>\$24,575,446</u>	<u>\$22,836,604</u>

The vast majority of revenue supporting all governmental activities is general revenue. General revenue for 2022 totaled \$9,552,024, or 98.2%, of total revenue.

The Library also carefully invests its funds in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. In 2022, the Library realized \$430,683 in Earnings on Investments which is 4.4% of the total revenue.

Analysis of Overall Financial Positions and Results of Operations

In Table 3, below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (Public Library Fund).

(Table 3)
Governmental Activities

Programs	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Library Services				
Public Services & Programs	\$ 3,354,168	\$ 3,183,853	\$ 2,985,907	\$ 2,799,804
Collection Development	1,769,634	1,769,634	1,254,902	1,254,902
Support Services				
Facilities Operations& Maint.	910,388	910,388	854,906	854,906
Information Services	429,430	429,430	299,950	299,950
Business Administration	1,207,707	1,207,707	1,098,784	1,098,784
Capital Outlay	312,170	312,170	462,735	462,735
Total Expenses	<u>\$ 7,983,497</u>	<u>\$ 7,813,182</u>	<u>\$ 6,957,264</u>	<u>\$ 6,771,161</u>

The dependence upon General Receipts is demonstrated in 2022 as total expenses were 83.6% of this revenue. The dependence upon General Receipts is demonstrated in 2021 as 74.5% of total expenses were supported through this revenue.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2022
(Unaudited)

The Library's Funds

Information about the Library's Governmental Funds begins on this page. In 2022, all Governmental Funds had total revenue of \$9,722,339 and expenditures of \$7,983,497. In 2022, the unassigned fund balance for the general fund was \$6,537,650 compared to annual expenditures, excluding transfers, of \$7,686,717.

General Fund Budgetary Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursement and encumbrances. The most significant budgeted fund is the General Fund for 2022. During the course of 2021, the Library amended its general fund appropriations budget so funds could be transferred to the Capital Projects Fund. For the General Fund in 2022, original and final budgeted revenues were \$8,376,155 and \$8,570,390 respectively.

For 2022, the Final Revenue Budget reflected an increase of \$194,235 when compared to the original revenue budget. The increase in the Final Revenue Budget can be attributed to projected higher receipts for Property Taxes and Intergovernmental Receipts. The Actual Revenue Receipts for 2022 reflected an increase of \$905,250 when compared to the Final Revenue Budget Amount. The increase is the result of Intergovernmental, Contributions being more than Final Budget Projections. This was partially offset by an actual decrease in Property Taxes received in 2022.

For 2022, the Final Disbursements Budget reflected an increase of \$949,509 when compared to the Original Disbursements Budget. The increase in the Final Disbursements Budget can be attributed to all disbursement classifications except Capital Outlays. The Final Disbursements Budget included an increase in Salaries/Benefits and Digital Materials and Services for 2022.

The Actual Disbursements for 2022 reflected a decrease of \$1,581,867 when compared to the Final Disbursements Budget amount. The decrease can be attributed to all departments spending less in 2022 with Public Services, Collection Development, and Capital Outlays having the most significant decrease. COVID-19 expenses were less and potential emergencies and other capital expenditures did not materialize in 2022.

Current Financial Issues

Lane Public Library is committed to the highest standards of service for its users while maintaining a strong financial position. The Board of Trustees and administration closely monitor the Library's revenues and expenses.

The economic outlook for the State of Ohio continues to be uncertain. This concern about the State's fiscal status impacts the Library's future budgets. The Library Board of

Lane Public Library
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Trustees placed a five-year .75 mil levy on the ballot in May of 2010 that was approved by voters. A renewal levy for .75 mill and ten-year term passed in May 2015. The next renewal will go to the voters in the spring of 2024. The levy brought in tax receipts in 2022 of approximately \$2,329,122.

Since the completion of the new Oxford Lane Library Branch in September 2015, the Library has not had a major construction project. However, in December 2022, the Library finalized an agreement with Fairfield Township to purchase property for a new Lane Fairfield Township Branch. In addition, the Library continues to make investments in our facilities and systems on an annual basis. In 2021, the Hamilton Branch started a HVAC System Upgrade that was completed in 2022.

Contacting the Library's Financial Management

This financial report is designed to provide citizens, taxpayers, investor 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 Robert Carringer, Fiscal Officer, Lane Public Library, 1396 University Blvd., Hamilton, Ohio 45011.

Lane Public Library
Statement of Net Position - Modified Cash Basis
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$15,773,323
Investments	<u>8,802,123</u>
<i>Total Assets</i>	<u><u>\$24,575,446</u></u>
 Net Position	
Restricted for:	
Special Revenue	\$365,761
Committed to:	
Capital Projects	\$12,720,972
Assigned	\$4,950,521
Unrestricted	<u>6,538,192</u>
<i>Total Net Position</i>	<u><u>\$24,575,446</u></u>

See accompanying notes to the basic financial statements.

Lane Public Library
Statement of Activities - Modified 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	Operating Grants and Contributions		
Governmental Activities					
Current:					
Library Services:					
Public Services and Programs	3,354,168	16,457	153,858	(\$3,183,853)	
Collection Development and Processing	1,769,634			(1,769,634)	
Support Services:					
Facilities Operation and Maintenance	910,388			(910,388)	
Information Services	429,430			(429,430)	
Business Administration	1,207,707			(1,207,707)	
Capital Outlay	312,170			(312,170)	
<i>Total Cash Disbursements</i>	<u>7,983,497</u>	<u>16,457</u>	<u>153,858</u>	<u>(7,813,182)</u>	
General Receipts:					
Property Taxes Levied for General Purposes				2,329,122	
Unrestricted Gifts and Contributions				13,093	
Grants/Entitlements not Restricted to Specific Progr.				6,766,387	
Earnings on Investments				430,683	
Miscellaneous				12,739	
<i>Total General Receipts & Contributions</i>				<u>9,552,024</u>	
<i>Change in Net Position</i>				<u>1,738,842</u>	
<i>Net Position Beginning of Year</i>				<u>22,836,604</u>	
<i>Net Position End of Year</i>				<u>\$24,575,446</u>	

See accompanying notes to the basic financial statements.

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,233,517	\$6,951,561	\$588,245	\$15,773,323
Investments	3,032,712	5,769,411	-	8,802,123
<i>Total Assets</i>	<u><u>\$11,266,229</u></u>	<u><u>\$12,720,972</u></u>	<u><u>\$588,245</u></u>	<u><u>\$24,575,446</u></u>
Fund Balances				
Restricted			365,761	365,761
Committed		\$12,720,972		12,720,972
Assigned	4,728,037	-	222,484	4,950,521
Unassigned (Deficit)	6,538,192	-	-	6,538,192
<i>Total Fund Balances</i>	<u><u>\$11,266,229</u></u>	<u><u>\$12,720,972</u></u>	<u><u>\$588,245</u></u>	<u><u>\$24,575,446</u></u>

See accompanying notes to the basic financial statements.

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$2,329,122			\$2,329,122
Intergovernmental	6,766,387		-	\$6,766,387
Patron Fines and Fees	16,286		171	\$16,457
Contributions, Gifts and Donations	82,112		84,839	\$166,951
Earnings on Investments	270,851	153,465	6,367	\$430,683
Miscellaneous	10,882		1,857	\$12,739
<i>Total Receipts</i>	<i>9,475,640</i>	<i>153,465</i>	<i>93,234</i>	<i>9,722,339</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	3,250,564		103,604	3,354,168
Collection Development and Processing	1,753,344		16,290	1,769,634
Support Services:				
Facilities Operation and Maintenance	898,922		11,466	910,388
Information Services	429,430		-	429,430
Business Administration	1,188,008	19,699	-	1,207,707
Capital Outlay	166,449	10,000	135,721	312,170
<i>Total Disbursements</i>	<i>7,686,717</i>	<i>29,699</i>	<i>267,081</i>	<i>7,983,497</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>1,788,923</i>	<i>123,766</i>	<i>(173,847)</i>	<i>1,738,842</i>
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out				-
<i>Total Other Financing Sources (Uses)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Net Change in Fund Balances</i>	<i>1,788,923</i>	<i>123,766</i>	<i>(173,847)</i>	<i>1,738,842</i>
<i>Fund Balances Beginning of Year</i>	<i>9,477,306</i>	<i>12,597,206</i>	<i>762,092</i>	<i>22,836,604</i>
<i>Fund Balances End of Year</i>	<i>\$11,266,229</i>	<i>\$12,720,972</i>	<i>\$588,245</i>	<i>\$24,575,446</i>

See accompanying notes to the basic financial statements.

Lane 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 Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$2,700,000	\$2,450,000	\$2,329,122	(\$120,878)
Intergovernmental	5,255,000	5,780,000	6,766,387	986,387
Patron Fines and Fees	20,000	15,000	16,286	1,286
Contributions, Gifts and Donations	45,000	74,000	82,112	8,112
Earnings on Investments	328,655	241,390	270,851	29,461
Miscellaneous	27,500	10,000	10,882	882
<i>Total Receipts</i>	<i>8,376,155</i>	<i>8,570,390</i>	<i>9,475,640</i>	<i>905,250</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	3,172,854	3,600,753	3,250,564	350,189
Collection Development and Processing	1,963,213	2,227,983	1,753,344	474,639
Support Services:				
Facilities Operation and Maintenance	964,178	1,094,212	898,922	195,290
Information Services	423,392	480,493	429,430	51,063
Business Administration	1,164,081	1,321,080	1,188,008	133,072
Capital Outlay	631,356	544,062	166,449	377,613
<i>Total Disbursements</i>	<i>8,319,074</i>	<i>9,268,583</i>	<i>7,686,717</i>	<i>1,581,866</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>57,081</i>	<i>(698,193)</i>	<i>1,788,923</i>	<i>2,487,116</i>
Other Financing Sources (Uses)				
Transfers Out	(500,000)	(100,000)	0	100,000.00
<i>Total Other Financing Sources (Uses)</i>	<i>(500,000)</i>	<i>(100,000)</i>	<i>-</i>	<i>100,000.00</i>
<i>Net Change in Fund Balance</i>	<i>(442,919)</i>	<i>(798,193)</i>	<i>1,788,923</i>	<i>2,587,116</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>9,441,616</i>	<i>9,441,616</i>	<i>9,441,616</i>	<i>-</i>
Prior Year Encumbrances Appropriated	35,690	35,690	35,690	-
<i>Unencumbered Fund Balance End of Year</i>	<i>\$9,034,387</i>	<i>\$8,679,113</i>	<i>\$11,266,229</i>	<i>\$2,587,116</i>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Earnings on Investments	600	50,000	153,465	103,465
<i>Total Receipts</i>	<u>600</u>	<u>50,000</u>	<u>153,465</u>	<u>103,465</u>
Disbursements				
Business		700,000	19,699	680,301
Capital Outlay	600,000	11,423,925	10,000	11,413,925
<i>Total Disbursements</i>	<u>600,000</u>	<u>12,123,925</u>	<u>29,699</u>	<u>12,094,226</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(599,400)</u>	<u>(12,073,925)</u>	<u>123,766</u>	<u>12,197,691</u>
Other Financing Sources (Uses)				
Transfers In	500,000	0	0	-
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(99,400)</u>	<u>(12,073,925)</u>	<u>123,766</u>	<u>12,197,691</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>12,597,206</u>	<u>12,597,206</u>	<u>12,597,206</u>	<u>-</u>
Prior Year Encumbrances Appropriated	0	0	0	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$12,497,806</u>	<u>\$523,281</u>	<u>\$12,720,972</u>	<u>\$12,197,691</u>

See accompanying notes to the basic financial statements.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 1 – Description of the Library and Reporting Entity

Lane Public Library was originally established in 1866 and was organized as a school district public library in 1923 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Hamilton City 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 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and the financial accountability being the responsibility 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. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity”, the Library is considered to be a related organization of the Hamilton City 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. The Library is also financially accountable for any organizations which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in the amount to the Library. Lane Public Library has no component units.

The Friends of the Hamilton-Fairfield Lane Library and the Friends of the Oxford Lane Libraries are not-for-profit organizations with self-appointing boards. The Library is not financially accountable for the organizations, nor does the Library approve the budgets or

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 1 – Description of the Library and Reporting Entity (continued)

the issuance of debt for the organizations. Therefore, these organizations have been excluded from the reporting of the entity of the Library.

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

A. Basis of Presentation

The Library's basic financial statements consist of Government-Wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statement 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.

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 modified cash basis or draws from the Library's general receipts.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 2 – Summary of Significant Accountings Policies (continued)

Fund Financial Statements

During the year, the Library segregates transactions related to certain library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information for 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.

B. Fund Accounting

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

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or may not be used. The following is the Library's major governmental funds.

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

Capital Projects Funds – The capital projects fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

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

C. Basis of Accounting

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

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 2 – Summary of Significant Accountings Policies (continued)

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

D. Budgetary Process

All funds, (except agency funds), are legally required to be appropriated. The appropriations resolution is the Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the 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 Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amount of estimated resources at the time final appropriations were enacted by the Trustees.

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

E. Cash and Cash Equivalents

Library records identify the purchase of specific investments by specific funds.

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

Investments with an initial maturity of more than one-year, mutual funds, and common stock that was not purchased from the pool are reported as investments. The majority of the Roesel Account is reported as investments for 2022. During the latter part of fiscal year 2018, a significant amount of General Funds from Star Ohio Plus and First Financial Bank were transferred to Meeder Investments for longer term investment options with higher interest rate

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 2 – Summary of Significant Accountings Policies (continued)

yields. In March 2022, the Library transferred all funds in the Government Insured Deposit Program to STAR Ohio for better return on investments.

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

The nonnegotiable certificates of deposit are recorded at cost. The Havighurst, Latta, and Roesel Accounts are all recorded on a cost basis. All of these investments are gifts with the Latta, Havighurst, and Roesel Accounts being held and invested by 9258 Wealth Management. Initially, these funds were held and invested by National Retirement Consultants, Inc. On December 31, 2019, National Retirement Consultants, Inc. combined with 9258 Wealth Management. The new organization will operate under 9258 Wealth Management name. The Meeder Investment Account is also recorded on a cost basis.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940.

STAR Ohio Plus was a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks via one convenient account, offering participants full FDIC insurance up to \$15 million per account, a competitive yield, and weekly liquidity. The State Treasurer's office had endorsed this new program as a secure investment option for Public Funds Managers. In June 2021, the Star Ohio Plus Program transitioned to the Government Insured Deposit Program (GIDP). The GIDP is managed by Meeder Asset Management, Inc. with the administration of the account handled by StoneCastle Cash Management, LLC. The program is similar to the Star Ohio Plus program but participants will have full FDIC insurance up to \$25 million per account.

Investments in STAR Ohio are valued at their respective share price, which is the price the investment could be sold for on December 31, 2022.

Investment procedures are restricted by the provision of the Ohio Revised Code. Earnings on Investment receipts credited to the general fund during 2022 amounted to \$270,851.

F. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 2 – Summary of Significant Accountings Policies (continued)

The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Library did not have any net position restricted by enabling legislation.

G. 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.

H. 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. It also includes the long-term amount of interfund loans.

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.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 2 – Summary of Significant Accountings Policies (continued)

Unassigned The 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.

Note 3– Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash balance). The encumbrances outstanding in the General Fund at year end (budgetary basis) amounted to \$1,155 for 2022.

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.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 4 – Deposits and Investments (continued)

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

1. United States Treasury bills, bonds, notes or any other obligation or security Issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association.

All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool is STAR Ohio. In addition, the State Treasurer's office endorsed a new investment option in 2012, STAR Ohio Plus. In June 2021, The Star Ohio Plus Program was transitioned to Meeder Asset Management, Inc and is now known as Government Insured Deposit Program. This program is managed by an outside Investment Firm and is FDIC insured.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 4 – Deposits and Investments (continued)

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 specific dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate upon receipt of confirmation of transfer from the custodian.

At December 31, 2022, the Library had \$200 in Petty Cash and \$630 in the Change Fund.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in possession of an outside party.

At December 31, 2022, \$9,540,883 of the Library's bank balance of \$10,040,883 was exposed to custodial credit risk because these deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name.

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

- Eligible securities pledged to 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.

The Library's financial institution joined OPCS as of January 2018.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 4 – Deposits and Investments (continued)

Investments

As of December 31, 2022, the Library had the following investments:

<u>Investment Type</u>	Carrying Value	<u>Investment Maturities (in Years)</u>		
		Less Than 1	1-2	3-5
US Treasury Notes	2,438,660	197,328	1,132,874	1,108,458
US Govt Agency Bonds	2,830,956	586,477	1,322,463	922,016
Certificate of Deposit	2,400,753	1,058,875	1,227,280	114,598
US Govt Money Mkt	4,214,499	4,214,499		
Commercial Paper	97,595	97,595		
Corp. Mutual Funds	2,580,851	2,580,851		
Common Stock	393,584	393,584		
Star Ohio	2,660,319	2,660,319	-	-
Total	17,617,217	11,789,528	3,682,617	2,145,072

Credit Risk

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

STAR Ohio Plus was endorsed by the State Treasurer of Ohio and administered by Public Funds Administrators (PFA). It allows public funds managers to deposit funds into a single, convenient account, which in turn will be deposited through the FICA program into multiple banks so the amounts that a single participant has on deposit in any single bank through STAR Plus will never exceed the FDIC insurance amount as set by the FDIC. STAR Plus is not a mutual fund or pooled account; instead, each account is separately managed account in which the Participant directly owns the bank deposits made on its behalf. In June 2021, the Star Ohio Plus program transitioned to the Government Insured Deposit Program (GIDP). The GIDP is being managed by Meeder Asset Management, Inc. with the administration of the account handled by StoneCastle Cash Management, LLC. The program is similar to the Star Ohio Plus program but participants will have full FDIC insurance up to \$25 million per account.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 4 – Deposits and Investments (continued)

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association Notes, Federal

Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Notes are exposed to custodial risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Library's name.

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon the receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Interest Rate Risk

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

The Library does not have an investment policy dealing with investment concentration of credit risk.

Concentration of Credit Risk

The following table indicates the percentage of each investment compared to the Library's total portfolio as of December 31, 2022:

	Carrying Value	Percentage of
US Gov't Money Market	\$4,214,499	24.0%
US Gov't Agency Bonds	\$2,830,956	16.1%
STAR OHIO	\$2,660,319	15.1%
Corporate Mutual Funds	\$2,580,851	14.6%
US Treasury Notes	\$2,438,660	13.8%
Certificate of Deposits	\$2,400,753	13.6%

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

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 \$0.75 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/Public Utility Personal Property: \$4,334,104,990

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.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

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 had property, casualty, and liability insurance coverage with The Cincinnati Insurance Company

During 2022 the Library contracted with two companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Cincinnati Insurance	Commercial Property	\$1,000,000/
	Vehicles, Liability	\$2,000,000
	Errors and Omissions	
	Commercial Umbrella	\$5,000,000
Liberty Mutual	Surety Bond	\$50,000

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

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

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 7 – Defined Benefit Pension Plan (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans.

Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 statutory authority for member and employer contributions, and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2022, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2022, member and employer contribution rates were consistent across all three plans.

The Library's 2022 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional and Combined Plans was 0.0 percent during calendar year 2022.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the year ended December 31, 2022, was \$485,327.

Note 8 – Postemployment Benefits

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans.

Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care provided by OPERS meets the definition of Other Post

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2022

Note 8 – Postemployment Benefits (continued)

Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0.0 percent during calendar year 2022. For the Combined Plan, the portion of the employer contributions allocated to health care was 0.0% from January 1, 2022 to June 30, 2022 and was 2% from July 1, 2022 to December 31, 2022.

The Library's contractually required contribution for 2022 was \$485,148. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning Jan. 1, 2023 remains at 0% for the Traditional Pension Plan and 2% for the Combined Plan. The 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 for Member-Directed Plan participants for 2022 was 4.0%.

Note 9 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund and all other governmental funds as of December 31, 2022 is presented below:

Lane Public Library
 Notes to the Basic Financial Statements
 For the Year ended December 31, 2022

Note 9 – Fund Balances (continued)

<u>Fund Balances</u>	<u>General</u>	Capital Projects	Other Governmental Funds	Total Governmental Funds
Restricted for:				
Primarily for books, programs, etc	-	-	365,761	365,761
Total Restricted	-	-	365,761	365,761
Committed to:				
Capital Projects : Fairfield Twp Library	-	12,720,972		12,720,972
Total Committed	-	12,720,972	-	12,720,972
Assigned to:				
Encumbrances	1,155	-	-	1,155
Building Maintenance	-	-	222,484	222,484
Hamilton Branch (Roesel Fund)	4,121,746		-	4,121,746
Gifts & Memorials	376,413		-	376,413
Other Purposes	229,265		-	229,265
Total Assigned	4,728,579	-	222,484	4,951,063
Unassigned	6,537,650		-	6,537,650
Total Fund Cash Balances	<u>11,266,229</u>	<u>12,720,972</u>	<u>588,245</u>	<u>24,575,446</u>

Note 10 – Interfund Transfers

The General Fund transferred a total of \$12,000,000 to the Capital Projects Fund in 2021. The funds are to be used for construction of the new Lane Fairfield Township Library. The Library finalized the purchase of property for the new branch in January 2023, Plans will be developed throughout the remainder of 2023 with the bid process and the start of construction to begin in 2024. The project is expected to be completed by mid-2025.

Note 11 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Library received \$100,000 in COVID-19 funding. In 2020, 2021 and 2022 the library expensed \$75,451, 13,082 and \$11,467 respectively. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the future operating costs, revenues, and recovery from emergency funding, either federal or state, cannot be estimated.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2021
(Unaudited)

This discussion and analysis of the Lane Public Library's (the Library's) financial performance provides an overall view of the Library's financial activities for the year ended December 31, 2021 within the limitations of the Library's modified cash basis accounting. The intent of this management's discussion and analysis is to look at the Library's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Financial Highlights

Key Highlights for 2021 are as follows:

Total Net Position increased by \$2,561,194 or 12.6% from the prior year. The increase is primarily the result of Net Surplus in General Operating Funds.

The Library's general receipts are primarily the Public Library Fund (PLF) and Real Estate Taxes. General receipts represent 98.0% of the total cash received for governmental activities during the year. Real Estate tax receipts increased by 1.7% for 2021 and Intergovernmental receipts for 2021 increased by 11.6%.

The Library continued to feel the effects of COVID in 2021 from an operational point of view. Even though the Library was able to maintain normal operations for the most part, COVID did keep patrons from visiting the library in person compared to prior years before the pandemic. Our in-house programs and events were limited throughout the year. Financially, the Library was able to incur a Net Surplus of \$2.561 million for CY 2021. Excluding fund transfers, total receipts increased 9.0% compared to last year and cash disbursements decreased 7.9% compared to 2020. The surplus balance the library is carrying will be used primarily for new branch library facilities. We are currently finalizing a Letter of Intent to purchase property in Fairfield Township.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Standards Board Statement No. 34 and Statement No. 63, as applicable to the Library's modified cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Library as a financial whole or as an entire operating entity. The statements provide a detailed look at the Library's specific financial activities and conditions on a modified cash basis of accounting.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2021
(Unaudited)

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified cash basis provide information about the activities of the whole Library, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library to segregate money whose use is restricted to a particular specified purpose. These statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

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

As a result of using the modified 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 modified cash basis of accounting.

Reporting the Library as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2021 within the limitations of modified cash basis accounting. The Statement of Net Position – Modified cash basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's modified cash position and the changes in modified cash position. Keeping in mind the limitations of the modified cash basis of accounting, these changes can then be viewed as one way to measure the Library's financial health.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2021
(Unaudited)

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, other nonfinancial factors should be considered as well. These nonfinancial factors include 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 continued growth in the major local revenue source, the Public Library Fund (PLF).

The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified cash basis present governmental activities, which include all of the Library's services. The Library has no business-type activities.

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 has restricted use is being spent for the intended purpose. All of the operating funds of the Library are governmental.

Governmental Funds

All of the Library's activities are reported in the governmental funds. The governmental fund financial statements provide a detailed short-term view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds for 2021 are the General Fund and Capital Projects Fund.

The significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. The governmental fund financial statements can be found beginning on page 13 of this report.

Lane Public Library
 Management's Discussion and Analysis
 For the Year ended December 31, 2021
 (Unaudited)

The Library as a Whole

Recall that the Statement of Net Position pictures the Library as a whole. Table 1 provides a summary of the Library's net position for 2021 on a modified cash basis:

(Table 1)
Net Position – Modified cash

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$14,421,905	\$11,077,100
Investments	<u>8,414,699</u>	<u>9,198,310</u>
Total Assets	<u>\$ 22,836,604</u>	<u>\$20,275,410</u>
Net Position		
Restricted for:		
Special Revenue	453,937	499,920
Committed to:		
Capital Projects	12,597,206	0
Assigned	5,025,385	5,694,193
Unrestricted	<u>4,760,076</u>	<u>14,081,297</u>
Total Net Position	<u>\$22,836,604</u>	<u>\$20,275,410</u>

The total net position of governmental activities increased by \$2,561,194 or 12.6% for 2021. The primary reasons contributing to the increase in total Net Position are as follows:

The Special Revenue Funds decreased by \$45,983. This is primarily attributed to Lane Oxford Branch HVAC/Geothermal Expenses from the Havighurst Fund, new full-time Manager for the Smith History Library, and COVID related expenses from the Covid Relief Fund.

The decrease of \$668,808 in the Assigned Assets is primarily due to the reclassification of Capital Project Funds to Committed Assets for 2021 and Capital Outlays from the

Lane Public Library
 Management's Discussion and Analysis
 For the Year ended December 31, 2021
 (Unaudited)

Building Maintenance Fund for an upgrade to the Oxford Branch HVAC Controls System. These were offset by additional contributions to the Elmer B. and Thelma M. Rose Fund and increase in Earnings on Investments for the Roesel Fund in 2021.

The Unrestricted Assets decrease of \$9,321,221 is primarily the result of transferring funds from the General Fund to the Capital Project Fund in September 2021. These funds are going to be used for new branch construction projects in the coming years. The transfer of funds was partially offset by the General Operating Fund expenses being less than revenues received in 2021. When possible, the Library would like to incur annual savings by spending less than receipts received for the year. These funds can then be used toward capital projects or operating expenses needed in future years.

Table 2 reflects the changes in net position in 2021 for governmental activities.

(Table 2)
Changes in Net Position

Governmental Activities

	2021	2020
Receipts:		
Program Receipts:		
Charges for Services	\$ 17,179	\$ 24,384
Operating Grants & Contributions	<u>168,924</u>	<u>106,814</u>
Total Program Cash Receipts	<u>186,103</u>	<u>131,198</u>
General Receipts		
Property Taxes Levied	2,333,524	2,294,846
Unrestricted Gifts & Contributions	1,580	58,497
Grants & Entitlements	6,429,666	5,763,946
Earnings on Investments	555,395	390,899
Miscellaneous	<u>12,190</u>	<u>91,478</u>
Total General Receipts	<u>9,332,355</u>	<u>8,599,666</u>
Total Receipts	<u>9,518,458</u>	<u>8,730,864</u>

Disbursements:

Library Services		
Public Services	2,985,907	2,732,106
Collection Development & Processing	1,254,902	1,371,129
Support Services		
Facilities Operation & Maintenance	854,986	1,089,216
Information Services	299,950	353,109
Business Administration	1,098,784	919,435
Capital Outlay	<u>462,735</u>	<u>1,087,437</u>

Lane Public Library
 Management's Discussion and Analysis
 For the Year ended December 31, 2021
 (Unaudited)

Total Disbursements	<u>6,957,264</u>	<u>7,552,432</u>
Change in Net Position	2,561,194	1,178,432
Net Position Beginning of Year	<u>20,275,410</u>	<u>19,096,978</u>
Net Position End of Year	<u>\$22,836,604</u>	<u>\$20,275,410</u>

The vast majority of revenue supporting all governmental activities is general revenue. General revenue for 2021 totaled \$9,332,355, or 98.0%, of total revenue.

The Library also carefully invests its funds in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. In 2021, the Library realized \$555,395 in Earnings on Investments which is 5.8% of the total revenue.

Analysis of Overall Financial Positions and Results of Operations

In Table 3, below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (Public Library Fund).

**(Table 3)
Governmental Activities**

Programs	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Library Services				
Public Services & Programs	\$ 2,985,907	\$ 2,799,804	\$ 2,732,106	\$ 2,600,908
Collection Development	1,254,902	1,254,902	1,371,129	1,371,129
Support Services				
Facilities Operations& Maint.	854,906	854,906	1,089,216	1,089,216
Information Services	299,950	299,950	353,109	353,109
Business Administration	1,098,784	1,098,784	919,435	919,435
Capital Outlay	<u>462,735</u>	<u>462,735</u>	<u>1,087,437</u>	<u>1,087,437</u>
Total Expenses	<u>\$ 6,957,264</u>	<u>\$ 6,771,161</u>	<u>\$ 7,552,432</u>	<u>\$ 7,421,234</u>

The dependence upon General Receipts is demonstrated in 2021 as total expenses were 74.5% of this revenue. The dependence upon General Receipts is demonstrated in 2020 as 87.8% of total expenses were supported through this revenue.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2021
(Unaudited)

The Library's Funds

Information about the Library's Governmental Funds begins on page 7. In 2021, all Governmental Funds had total revenue of \$9,518,458 and expenditures of \$6,957,264. In 2021, the unassigned fund balance for the general fund was \$4,729,001 compared to annual expenditures, excluding transfers, of \$6,543,078.

General Fund Budgetary Highlights

The Library's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursement and encumbrances. The most significant budgeted fund is the General Fund for 2021. During the course of 2021, the Library amended its general fund appropriations budget so funds could be transferred to the Capital Projects Fund. For the General Fund in 2021, original and final budgeted revenues were \$7,265,820 and \$8,111,090 respectively.

For 2021, the Final Revenue Budget reflected an increase of \$845,270 when compared to the original revenue budget. The increase in the Final Revenue Budget can be attributed to projected higher receipts for Property Taxes and Intergovernmental Receipts. The Actual Revenue Receipts for 2021 reflected an increase of \$1,282,415 when compared to the Final Revenue Budget Amount. The increase is the result of Intergovernmental, Contributions, and Earnings on Investments being more than Final Budget Projections. This was partially offset by an actual decrease in property taxes and Miscellaneous Receipts received in 2021.

For 2021, the Final Disbursements Budget reflected an increase of \$1,064,425 when compared to the Original Disbursements Budget. The increase in the Final Disbursements Budget can be attributed primarily to Capital Outlays being higher than originally projected. The Final Disbursements Budget included an increase in all disbursement classifications especially for Capital Outlays that reflected an increase of \$469,494.

The Actual Disbursements for 2021 reflected a decrease of \$1,993,483 when compared to the Final Disbursements Budget amount. The decrease can be attributed to all departments spending less in 2021 with Public Services, Collection Development, and Capital Outlays having the most significant decrease. The COVID-19 Virus is the primary reason our actual results were less than our Final Budget Disbursement amount. In addition, potential emergencies and other capital expenditures did not materialize in 2021.

Current Financial Issues

Lane Public Library is committed to the highest standards of service for its users while maintaining a strong financial position. The Board of Trustees and administration closely monitor the Library's revenues and expenses.

Lane Public Library
Management's Discussion and Analysis
For the Year ended December 31, 2021
(Unaudited)

The economic outlook for the State of Ohio continues to be uncertain. This concern about the State's fiscal status impacts the Library's future budgets. The Library Board of Trustees placed a five-year .75 mil levy on the ballot in May of 2010 that was approved by voters. A renewal levy for .75 mill and ten-year term was placed on the ballot in May of 2015 and did pass. This levy brought in tax levy receipts in 2021 of approximately \$2,333,524.

Since the completion of the new Oxford Lane Library Branch in September 2015, the Library has not started a major construction project. However, the Library is currently in discussion with Fairfield Township to purchase property for a new Lane Fairfield Township Branch. In addition, the Library continues to make investments in our facilities and systems on an annual basis. In 2021, the Hamilton Branch started a HVAC System Upgrade that is to be completed in early 2022.

Contacting the Library's Financial Management

This financial report is designed to provide citizens, taxpayers, investor 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 Robert Carringer, Fiscal Officer, Lane Public Library, 1396 University Blvd., Hamilton, Ohio 45011.

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

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,421,905
Investments	<u>8,414,699</u>
<i>Total Assets</i>	<u>\$22,836,604</u>

Net Position	
Restricted for:	
Special Revenue	\$453,937
Committed to:	
Capital Projects	\$12,597,206
Unrestricted	<u>9,785,461</u>
<i>Total Net Position</i>	<u>\$22,836,604</u>

See accompanying notes to the basic financial statements.

Lane Public Library
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2021

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions		
Governmental Activities					
Current:					
Library Services:					
Public Services and Programs	2,985,907	17,179	168,924	(\$2,799,804)	
Collection Development and Processing	1,254,902			(1,254,902)	
Support Services:					
Facilities Operation and Maintenance	854,986			(854,986)	
Information Services	299,950			(299,950)	
Business Administration	1,098,784			(1,098,784)	
Capital Outlay	462,735			(462,735)	
<i>Total Cash Disbursements</i>	<u>6,957,264</u>	<u>17,179</u>	<u>168,924</u>	<u>(6,771,161)</u>	
General Receipts:					
Property Taxes Levied for General Purposes			2,333,524		
Unrestricted Gifts and Contributions			1,580		
Grants/Entitlements not Restricted to Specific Prog			6,429,666		
Earnings on Investments			555,395		
Miscellaneous			12,190		
<i>Total General Receipts & Contributions</i>			<u>9,332,355</u>		
<i>Change in Net Position</i>			<u>2,561,194</u>		
<i>Net Position Beginning of Year</i>			<u>20,275,410</u>		
<i>Net Position End of Year</i>			<u>\$22,836,604</u>		

See accompanying notes to the basic financial statements.

Lane Public Library
Statement of Assets and Fund Balances- Modified Cash Basis
Governmental Funds
December 31, 2021

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,448,468	\$7,211,345	\$762,092	\$14,421,905
Investments	3,028,838	5,385,861	-	8,414,699
<i>Total Assets</i>	<u><u>\$9,477,306</u></u>	<u><u>\$12,597,206</u></u>	<u><u>\$762,092</u></u>	<u><u>\$22,836,604</u></u>
Fund Balances				
Restricted			\$453,937	453,937
Committed		\$12,597,206		12,597,206
Assigned	4,748,305	-	308,155	5,056,460
Unassigned (Deficit)	4,729,001	-	-	4,729,001
<i>Total Fund Balances</i>	<u><u>\$9,477,306</u></u>	<u><u>\$12,597,206</u></u>	<u><u>\$762,092</u></u>	<u><u>\$22,836,604</u></u>

See accompanying notes to the basic financial statements.

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$2,333,524			\$2,333,524
Intergovernmental	6,429,666		-	\$6,429,666
Patron Fines and Fees	17,070		109	\$17,179
Contributions, Gifts and Donations	92,850		77,654	\$170,504
Earnings on Investments	508,395	43,056	3,944	\$555,395
Miscellaneous	12,000		190	\$12,190
<i>Total Receipts</i>	<i>9,393,505</i>	<i>43,056</i>	<i>81,897</i>	<i>9,518,458</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,896,668		89,239	2,985,907
Collection Development and Processing	1,253,001		1,901	1,254,902
Support Services:				0
Facilities Operation and Maintenance	841,903		13,083	854,986
Information Services	299,950		-	299,950
Business Administration	1,098,784		-	1,098,784
Capital Outlay	152,771	10,816	299,148	462,735
<i>Total Disbursements</i>	<i>6,543,077</i>	<i>10,816</i>	<i>403,371</i>	<i>6,957,264</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>2,850,428</i>	<i>32,240</i>	<i>(321,474)</i>	<i>2,561,194</i>
Other Financing Sources (Uses)				
Transfers In			12,000,000	12,000,000
Transfers Out		(12,000,000)		(12,000,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(12,000,000)</i>	<i>12,000,000</i>	<i>-</i>	<i>-</i>
<i>Net Change in Fund Balances</i>	<i>(9,149,572)</i>	<i>12,032,240</i>	<i>(321,474)</i>	<i>2,561,194</i>
<i>Fund Balances Beginning of Year</i>	<i>18,626,878</i>	<i>564,966</i>	<i>1,083,566</i>	<i>20,275,410</i>
<i>Fund Balances End of Year</i>	<i>\$9,477,306</i>	<i>\$12,597,206</i>	<i>\$762,092</i>	<i>\$22,836,604</i>

See accompanying notes to the basic financial statements.

Lane Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2021*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$2,250,000	\$2,450,000	\$2,333,524	(\$116,476)
Intergovernmental	4,616,000	5,255,000	6,429,666	1,174,666
Patron Fines and Fees	25,000	20,000	17,070	(2,930)
Contributions, Gifts and Donations	25,000	32,000	92,850	60,850
Earnings on Investments	319,820	321,590	508,395	186,805
Miscellaneous	30,000	32,500	12,000	(20,500)
<i>Total Receipts</i>	<i>7,265,820</i>	<i>8,111,090</i>	<i>9,393,505</i>	<i>1,282,415</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	3,226,110	3,493,525	2,896,668	596,857
Collection Development and Processing	1,599,001	1,731,546	1,253,001	478,545
Support Services:	0			
Facilities Operation and Maintenance	943,908	1,022,153	841,903	180,250
Information Services	281,773	305,131	299,950	5,181
Business Administration	1,126,343	1,219,711	1,098,784	120,927
Capital Outlay	295,000	764,494	152,771	611,723
<i>Total Disbursements</i>	<i>7,472,135</i>	<i>8,536,560</i>	<i>6,543,077</i>	<i>1,993,483</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(206,315)</i>	<i>(425,470)</i>	<i>2,850,428</i>	<i>3,275,898</i>
Other Financing Sources (Uses)				
Transfers Out	-	(12,500,000)	(12,000,000)	500,000.00
<i>Total Other Financing Sources (Uses)</i>	<i>-</i>	<i>(12,500,000)</i>	<i>(12,000,000)</i>	<i>500,000.00</i>
<i>Net Change in Fund Balance</i>	<i>(206,315)</i>	<i>(12,925,470)</i>	<i>(9,149,572)</i>	<i>3,775,898</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>18,625,054</i>	<i>18,625,054</i>	#	<i>18,625,054</i>
Prior Year Encumbrances Appropriated	1,824	1,824	1,824	-
<i>Unencumbered Fund Balance End of Year</i>	<i>\$18,420,563</i>	<i>\$5,701,408</i>	<i>\$9,477,306</i>	<i>\$3,775,898</i>

See accompanying notes to the basic financial statements.

Lane Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Capital Projects
 For the Year Ended December 31, 2021*

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Earnings on Investments	0	400	43,056	42,656
<i>Total Receipts</i>	<u>0</u>	<u>400</u>	<u>43,056</u>	<u>42,656</u>
Disbursements				
Capital Outlay	15,401	200,000	10,816	189,184
<i>Total Disbursements</i>	<u>15,401</u>	<u>200,000</u>	<u>10,816</u>	<u>189,184</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(15,401)</u>	<u>(199,600)</u>	<u>32,240</u>	<u>231,840</u>
Other Financing Sources (Uses)				
Transfers In	-	12,250,000	12,000,000	(250,000.00)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>12,250,000</u>	<u>12,000,000</u>	<u>(250,000.00)</u>
<i>Net Change in Fund Balance</i>	<u>(15,401)</u>	<u>12,050,400</u>	<u>12,032,240</u>	<u>(18,160)</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	564,966	564,966	#	564,966
Prior Year Encumbrances Appropriated	0	0	0	-
<i>Unencumbered Fund Balance End of Year</i>	<u>\$549,565</u>	<u>\$12,615,366</u>	<u>\$12,597,206</u>	<u>(\$18,160)</u>

See accompanying notes to the basic financial statements.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 1 – Description of the Library and Reporting Entity

Lane Public Library was originally established in 1866 and was organized as a school district public library in 1923 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Hamilton City 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 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and the financial accountability being the responsibility 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. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity”, the Library is considered to be a related organization of the Hamilton City 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. The Library is also financially accountable for any organizations which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in the amount to the Library. Lane Public Library has no component units.

The Friends of the Hamilton-Fairfield Lane Library and the Friends of the Oxford Lane Libraries are not-for-profit organizations with self-appointing boards. The Library is not financially accountable for the organizations, nor does the Library approve the budgets or

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 1 – Description of the Library and Reporting Entity (continued)

the issuance of debt for the organizations. Therefore, these organizations have been excluded from the reporting of the entity of the Library.

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

A. Basis of Presentation

The Library's basic financial statements consist of Government-Wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statement 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.

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 modified cash basis or draws from the Library's general receipts.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 2 – Summary of Significant Accountings Policies (continued)

Fund Financial Statements

During the year, the Library segregates transactions related to certain library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information for 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.

B. Fund Accounting

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

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or may not be used. The following is the Library's major governmental funds.

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

Capital Projects Funds – The capital projects fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

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

C. Basis of Accounting

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

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 2 – Summary of Significant Accountings Policies (continued)

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.

D. Budgetary Process

All funds, (except agency funds), are legally required to be appropriated. The appropriations resolution is the Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the 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 Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amount of estimated resources at the time final appropriations were enacted by the Trustees.

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

E. Cash and Cash Equivalents

Library records identify the purchase of specific investments by specific funds.

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

Investments with an initial maturity of more than one-year, mutual funds, and common stock that was not purchased from the pool are reported as investments. The majority of the Roesel Account is reported as investments for 2021. During the latter part of fiscal year 2018, a significant amount of General Funds from Star Ohio Plus and First Financial Bank were transferred to Meeder Investments for longer term investment options with higher interest rate yields.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 2 – Summary of Significant Accountings Policies (continued)

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.

The nonnegotiable certificates of deposit are recorded at cost. The Havighurst, Latta, and Roesel Accounts are all recorded on a cost basis. All of these investments are gifts with the Latta, Havighurst, and Roesel Accounts being held and invested by 9258 Wealth Management. Initially, these funds were held and invested by National Retirement Consultants, Inc. On December 31, 2019, National Retirement Consultants, Inc. combined with 9258 Wealth Management. The new organization will operate under 9258 Wealth Management name. The Meeder Investment Account is also recorded on a cost basis.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940.

STAR Ohio Plus was a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks via one convenient account, offering participants full FDIC insurance up to \$15 million per account, a competitive yield, and weekly liquidity. The State Treasurer's office had endorsed this new program as a secure investment option for Public Funds Managers. In June 2021, the Star Ohio Plus Program transitioned to the Government Insured Deposit Program (GIDP). The GIDP is managed by Meeder Asset Management, Inc. with the administration of the account handled by StoneCastle Cash Management, LLC. The program is similar to the Star Ohio Plus program but participants will have full FDIC insurance up to \$25 million per account.

Investments in STAR Ohio and STAR Ohio Plus/GIDP are valued at their respective share price, which is the price the investment could be sold for on December 31, 2021.

Investment procedures are restricted by the provision of the Ohio Revised Code. Earnings on Investment receipts credited to the general fund during 2021 amounted to \$508,395.

F. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Library applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Library did not have any net position restricted by enabling legislation.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 2 – Summary of Significant Accountings Policies (continued)

G. 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.

H. 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. It also includes the long-term amount of interfund loans.

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

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 2 – Summary of Significant Accountings Policies (continued)

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.

Note 3– Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the modified cash basis is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash balance). The encumbrances outstanding in the General Fund at year end (budgetary basis) amounted to \$35,690 for 2021.

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes or any other obligation or security Issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures or any other obligation or security issued by any

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 4 – Deposits and Investments (continued)

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, Government National Mortgage Association, and Student Loan Marketing Association.

All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, STAR Ohio. In addition, the State Treasurer's office has endorsed a new investment option for 2012, STAR Ohio Plus. In June 2021, The Star Ohio Plus Program was transitioned to Meeder Asset Management, Inc and is now known as Government Insured Deposit Program. This program is managed by an outside Investment Firm and is FDIC insured.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specific dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate upon receipt of confirmation of transfer from the custodian.

At December 31, 2021, the Library had \$200 in Petty Cash and \$630 in the Change Fund.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 4 – Deposits and Investments (continued)

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in possession of an outside party.

At December 31, 2021, \$7,744,223 of the Library's bank balance of \$8,244,223 was exposed to custodial credit risk because these deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name.

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

- Eligible securities pledged to 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.

The Library's financial institution joined OPCS as of January 2018.

Investments

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

Investment Type	Investment Maturities (in Years)			
	Carrying Value	Less Than 1	1-2	3-5
US Treasury Notes	1,131,813	-	273,779	858,034
US Govt Agency Bonds	2,022,296		1,035,625	986,671
Certificate of Deposit	4,230,076	1,943,921	1,752,500	533,655
US Govt Money Mkt	4,545,446	4,545,446		
Commercial Paper	299,570	299,570		
Corp. Mutual Funds	2,580,851	2,580,851		
Common Stock	393,584	393,584		
Star Ohio	209,283	209,283		
Star Ohio Plus/GIDP	2,406,715	2,406,715		
Total	<u>17,819,634</u>	<u>12,379,370</u>	<u>3,061,904</u>	<u>2,378,360</u>

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 4 – Deposits and Investments (continued)

Credit Risk

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

STAR Ohio Plus was endorsed by the State Treasurer of Ohio and administered by Public Funds Administrators (PFA). It allows public funds managers to deposit funds into a single, convenient account, which in turn will be deposited through the FICA program into multiple banks so the amounts that a single participant has on deposit in any single bank through STAR Plus will never exceed the FDIC insurance amount as set by the FDIC. STAR Plus is not a mutual fund or pooled account; instead, each account is separately managed account in which the Participant directly owns the bank deposits made on its behalf. In June 2021, the Star Ohio Plus program transitioned to the Government Insured Deposit Program (GIDP). The GIDP is being managed by Meeder Asset Management, Inc. with the administration of the account handled by StoneCastle Cash Management, LLC. The program is similar to the Star Ohio Plus program but participants will have full FDIC insurance up to \$25 million per account.

Custodial Credit Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association Notes, Federal

Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Notes are exposed to custodial risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Library's name.

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon the receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Interest Rate Risk

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

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 4 – Deposits and Investments (continued)

The Library does not have an investment policy dealing with investment concentration of credit risk.

Concentration of Credit Risk

The following table indicates the percentage of each investment compared to the Library's total portfolio as of December 31, 2021:

	Carrying Value	Percentage of
US Gov't Money Market	\$4,545,446	25.5%
Certificate of Deposits	\$4,230,076	23.7%
Corporate Mutual Funds	\$2,580,851	14.5%
STAR OHIO Plus	\$2,406,715	13.5%
Us Gov't Agency Bonds	\$2,022,296	11.3%

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 2021 for real and public utility property taxes represents collections of 2020 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

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

property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2021, was \$0.75 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property/Public Utility Personal Property: \$4,256,490,540

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 2020 the Library had property, casualty, and liability insurance coverage with The Cincinnati Insurance Company

During 2021 the Library contracted with two companies for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
Cincinnati Insurance	Commercial Property, Vehicles, Liability, Errors and Omissions	\$1,000,000/ \$2,000,000
	Commercial Umbrella	\$5,000,000
Liberty Mutual	Surety Bond	\$50,000

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

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.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 7 – Defined Benefit Pension Plan

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans.

Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 statutory authority for member and employer contributions. and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2021, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2021, member and employer contribution rates were consistent across all three plans.

The Library's 2021 contribution rate was 14.0 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional and Combined Plans was 0.0 percent during calendar year 2021.

The Library's required contributions for pension obligations to the Traditional Pension and Combined Plans for the year ended December 31, 2021, was \$414,867.

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 8 – Postemployment Benefits

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans.

Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care provided by OPERS meets the definition of Other Post

Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 0.0 percent during calendar year 2021.

The Library's contractually required contribution for 2021 was \$414,867. The full amount has

Lane Public Library
 Notes to the Basic Financial Statements
 For the Year ended December 31, 2021

Note 8 – Postemployment Benefits (continued)

been contributed for 2021. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of employer contributions toward the health care fund after the end of the transition period.

Note 9 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund and all other governmental funds as of December 31, 2021 is presented below:

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Fund Balances</u>				
Restricted for:				
Primarily for books, programs, etc			451,896	451,896
Total Restricted	-	-	451,896	451,896
Committed to:				
Capital Projects : Fairfield Twp Library	-	12,597,206		12,597,206
Total Committed	-	12,597,206	-	12,597,206
Assigned to:				
Encumbrances	35,690	-	126,002	161,692
Building Maintenance	-	-	184,194	184,194
Hamilton Branch (Roesel Fund)	4,159,964		-	4,159,964
Gifts & Memorials	371,301		-	371,301
Other Purposes	181,350		-	181,350
Total Assigned	4,748,305	-	310,196	5,058,501
Unassigned	4,729,001		-	4,729,001
 Total Fund Cash Balances	<u>9,477,306</u>	<u>12,597,206</u>	<u>762,092</u>	<u>22,836,604</u>

Lane Public Library
Notes to the Basic Financial Statements
For the Year ended December 31, 2021

Note 10 – Interfund Transfers

The General Fund transferred a total of \$12,000,000 to the Capital Projects Fund in 2021. The funds are to be used for construction of the new Lane Fairfield Township Library. The land is expected to be purchased within the first quarter of 2022. Plans will be developed throughout the remainder of 2022 with the bid process and the start of construction to begin in 2023. The project is expected to be completed by mid-2024.

Note 11 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2020, the Library received \$100,000 in COVID-19 funding. In 2020 and 2021 the library expensed \$75,451 and 13,082, respectively. The Library has until early 2022 to utilize the remaining funds. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the future operating costs, revenues, and recovery from emergency funding, either federal or state, cannot be estimated.



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

Lane Public Library
Butler County
1396 University Boulevard
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lane Public Library, Butler County, (the Library) as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated March 4, 2024, wherein we 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the library's internal control. Accordingly, we do not express an opinion on the effectiveness of the library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 material weaknesses. However, unidentified material weaknesses or significant deficiencies may exist.

Lane Library
Butler 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 reasonably assuring about whether the Library's financial statements are free of 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 affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report 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
March 4, 2024

OHIO AUDITOR OF STATE KEITH FABER



LANE PUBLIC LIBRARY

BUTLER 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 3/21/2024

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

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