



OHIO AUDITOR OF STATE  
**KEITH FABER**





**LEBANON PUBLIC LIBRARY  
WARREN COUNTY  
DECEMBER 31, 2023 AND 2022**

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## INDEPENDENT AUDITOR'S REPORT

Lebanon Public Library  
Warren County  
101 S. Broadway  
Lebanon, Ohio 45036

To the Board of Trustees:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Lebanon Public Library, Warren County, Ohio (the Library), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library, as of December 31, 2023 and 2022, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber  
Auditor of State  
Columbus, Ohio  
March 14, 2025

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**Lebanon Public Library***Warren County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$892,648			\$892,648
Public Library	1,108,798			1,108,798
Intergovernmental	98,106			98,106
Patron Fines and Fees	15,555			15,555
Contributions, Gifts and Donations	1,490		1,000	2,490
Earnings on Investments	50,280	50,076		100,356
Miscellaneous	2,708			2,708
<i>Total Cash Receipts</i>	<u>2,169,585</u>	<u>50,076</u>	<u>1,000</u>	<u>2,220,661</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	2,210,354	1		2,210,355
Support Services:				
Business Administration	31			31
Capital Outlay	138,245			138,245
<i>Total Cash Disbursements</i>	<u>2,348,630</u>	<u>1</u>	<u>0</u>	<u>2,348,631</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(179,045)</u>	<u>50,075</u>	<u>1,000</u>	<u>(127,970)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	2,255			2,255
Transfer In			35,000	35,000
Transfer Out	(35,000)			(35,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(32,745)</u>	<u>0</u>	<u>35,000</u>	<u>2,255</u>
<i>Net Change in Fund Cash Balances</i>	<u>(211,790)</u>	<u>50,075</u>	<u>36,000</u>	<u>(125,715)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,174,550</u>	<u>390,754</u>	<u>207,528</u>	<u>1,772,832</u>
<i>Fund Cash Balances, December 31</i>	<u>\$962,760</u>	<u>\$440,829</u>	<u>\$243,528</u>	<u>\$1,647,117</u>

*See accompanying notes to the basic financial statements*

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**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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**Note 1 - Reporting Entity**

The Lebanon Public Library (the Library), Warren County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board of Trustees appoints a 7-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources. In addition, the Library provides a modern, up to date technology center that provides many related community programs.

The Library is fiscally independent of the City of Lebanon, although the Council of the City of Lebanon serves in a ministerial capacity as the taxing authority for the Library. Once the determination to request approval of a tax levy, the role and purpose(s) of the levy, is made, the Council of the City of Lebanon must put the levy on the ballot. A continuous levy was passed in 2009 and the Library began receiving collections in 2010. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the City of Lebanon.

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

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax exempt entities whose resources are for the direct benefit of the Library, are accessible to the library and are significant in amount to the Library. The Library has no component units.

The Friends of the Library, Inc. was a not -for-profit organization with a self-appointing board that was dissolved in 2011.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Library does not participate in jointly governed organizations, joint ventures and/or public entity risk pools or is not associated with related organizations.

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

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

***Special Revenue Funds:*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital:

***Will Trust Fund:*** The estate of Mary Will, established many years ago, annually distributes approximately \$50,000.00 to the library for any needed expenditures.

***Other Trust Funds:*** Includes bequeaths from various donors to be disbursed as the library sees fit.

***E. Bowyer Restricted:*** Received from the estate of Edna Bowyer who requested the moneys be spent for the homebound program. All funds have been disbursed.

***Capital Project Funds:*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. This fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

***Basis of Accounting***

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

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

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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***Budgetary Process***

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

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

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

The Library values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values in the mutual funds report. Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. Lebanon Citizens National Bank acts as the agent for the library's investments of U.S. Agency Obligations. The 1<sup>st</sup> National Bank (Lebanon, Ohio) also acts as agent for the library's investments of certificates of deposit (and other investments if available).

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable:*** The Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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

***Committed:*** The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance

also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

***Property, Plant, and Equipment***

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

**Note 3 - Compliance**

There are no known material budgetary violations.

**Note 4 - Budgetary Activity**

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

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
For the Year Ended December 31, 2023

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,147,277	\$2,171,840	\$24,563
Special Revenue	57,100	50,076	(7,024)
Capital Projects	3,500	1,000	(2,500)
Total	<u>\$2,207,877</u>	<u>\$2,222,916</u>	<u>\$15,039</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,308,285	\$2,348,630	\$959,655
Special Revenue	447,854	1	447,853
Capital Projects	211,028	0	211,028
Total	<u>\$3,967,167</u>	<u>\$2,348,631</u>	<u>\$1,618,536</u>

**Note 5 - Deposits and Investments**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2023
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$185,880
Certificates of deposit	<u>625,000</u>
Total deposits	<u>810,880</u>
U.S. Treasury Notes	
STAR Ohio	45,537
Other	790,700
Total investments	836,237

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library; (delete if there is no specific pledging) or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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*Investments*

The Lebanon Citizens National Bank's trust department holds the Library's U.S. Treasury Notes in book- entry form by, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. The 1<sup>st</sup> National Bank holds the Library's Certificates of Deposit and a Money Market Fund in the name of the Library.

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

**Note 6 - Grants in Aid and Taxes**

***Grants in Aid***

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

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December

31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**Note 7 - Interfund Balances**

***Advances***

There were no outstanding advances at the end of the year.



**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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**Note 8 - Risk Management**

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

***Commercial Insurance***

The Library has obtained commercial insurance for the following risks:

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

**Note 9- Retirement Systems**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Library contributed an amount equaling 14%, of participants' gross salaries. Certain classes of employees are covered under the "fringe benefits" method whereby the Library pays 100% of the contribution. The Library has paid all contributions required through December 31, 2023.

**Note 10 – Postemployment Benefits**

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

**Note 11 – Fund Balances**

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance

**Lebanon Public Library**  
Warren County  
*Notes to the Financial statements*  
*For the Year Ended December 31, 2023*

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accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Lebanon Public Library***Warren County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2022*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$875,283			\$875,283
Public Library	1,102,878			1,102,878
Intergovernmental	96,300			96,300
Patron Fines and Fees	12,004			12,004
Contributions, Gifts and Donations	2,506		200	2,706
Earnings on Investments	14,858	36,830		51,688
Miscellaneous	51,634			51,634
<i>Total Cash Receipts</i>	<u>2,155,463</u>	<u>36,830</u>	<u>200</u>	<u>2,192,493</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	2,061,113	22,955		2,084,068
Capital Outlay	57,562			57,562
<i>Total Cash Disbursements</i>	<u>2,118,675</u>	<u>22,955</u>	<u>0</u>	<u>2,141,630</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>36,788</u>	<u>13,875</u>	<u>200</u>	<u>50,863</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	1,403			1,403
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,403</u>	<u>0</u>	<u>0</u>	<u>1,403</u>
<i>Net Change in Fund Cash Balances</i>	38,191	13,875	200	52,266
<i>Fund Cash Balances, January 1</i>	<u>1,136,359</u>	<u>376,879</u>	<u>207,328</u>	<u>1,720,566</u>
<i>Fund Cash Balances, December 31</i>	<u>\$1,174,550</u>	<u>\$390,754</u>	<u>\$207,528</u>	<u>\$1,772,832</u>

*See accompanying notes to the basic financial statements*

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**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 - Reporting Entity**

The Lebanon Public Library (the Library), Warren County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Board of Trustees appoints a 7-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources. In addition, the Library provides a modern, up to date technology center that provides many related community programs.

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Under the provisions of Statement No. 61 of the Governmental Accounting Standards Board, The Financial Reporting Entity”, the Library is considered to be a related organization of the City of Lebanon.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization’s governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization’s resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax exempt entities whose resources are for the direct benefit of the Library, are accessible to the library and are significant in amount to the Library. The Library has no component units.

The Friends of the Library, Inc. was a not –for-profit organization with a self-appointing board that was dissolved in 2011.

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

The Library does not participate in jointly governed organizations, joint ventures and/or public entity risk pools or is not associated with related organizations.

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

**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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

***Basis of Presentation***

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

***Fund Accounting***

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

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

***Special Revenue Funds:*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital:

***Will Trust Fund:*** The estate of Mary Will, established many years ago, annually distributes approximately \$ 25,000.00 to the library for any needed expenditures.

***Other Trust Funds:*** Includes bequeaths from various donors to be disbursed as the library sees fit.

***E. Bowyer Restricted:*** Received from the estate of Edna Bowyer who requested the moneys be spent for the homebound program. All funds have been disbursed except for a balance of \$0.87.

***Capital Project Funds:*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. This fund accounts for monies set aside by the Board of Library Trustees specifically for major capital and technology improvements.

***Basis of Accounting***

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

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

**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Budgetary Process***

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

A summary of 2022 budgetary activity appears in Note 4.

***Deposits and Investments***

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

The Library values U.S. Treasury Notes and common stock at cost. Money market mutual funds are recorded at share values in the mutual funds report. Investments in STAR Ohio are measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. Lebanon Citizens National Bank acts as the agent for the library's investments of U.S. Agency Obligations. The 1<sup>st</sup> National Bank (Lebanon, Ohio) also acts as agent for the library's investments of certificates of deposit (and other investments if available).

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

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

***Nonspendable*** The Library classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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

**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Committed:*** The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance

also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

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

### **Property, Plant, and Equipment**

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

### **Note 3 - Compliance**

There are no known material budgetary violations.

### **Note 4 - Budgetary Activity**

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



**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,062,357	\$2,156,866	\$94,509
Special Revenue	57,100	36,830	(20,270)
Capital Projects	2,500	200	(2,300)
Total	<u>\$2,121,957</u>	<u>\$2,193,896</u>	<u>\$71,939</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,177,181	\$2,118,675	\$1,058,506
Special Revenue	433,979	22,955	411,024
Capital Projects	209,828	0	209,828
Total	<u>\$3,820,988</u>	<u>\$2,141,630</u>	<u>\$1,679,358</u>

**Note 5 – Deposits and Investments**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

***Cash Management Pool:***

Demand deposits	\$47,005
Certificates of deposit	<u>725,000</u>
Total deposits	<u>772,005</u>
U.S. Treasury Notes	
STAR Ohio	217,310
Other	783,517
Total investments	<u>1,000,827</u>
<i>Total deposits and investments</i>	<u><u>\$1,772,832</u></u>

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library; (delete if there is no specific pledging) or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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***Investments***

The Lebanon Citizens National Bank's trust department holds the Library's U.S. Treasury Notes in book-entry form by, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities. The 1<sup>st</sup> National Bank holds the Library's Certificates of Deposit and a Money Market Fund in the name of the Library.

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

**Note 6 – Grants in Aid and Taxes**

***Grants in Aid***

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

***Property Taxes***

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

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

**Note 7 – Interfund Balances**

***Advances***

There were no outstanding advances at the end of the year.

**Note 8 - Risk Management**

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

**Commercial Insurance**

**Lebanon Public Library**  
*Warren County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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The Library has obtained commercial insurance for the following risks:

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

**Note 9 – Retirement Systems**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Library contributed an amount equaling 14%, of participants' gross salaries. Certain classes of employees are covered under the "fringe benefits" method whereby the Library pays 100% of the contribution. The Library has paid all contributions required through December 31, 2022.

**Note 10 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2022, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2022, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 11 – Fund Balances**

Included in fund balance are amounts the Library cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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65 East State Street  
Columbus, Ohio 43215  
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800-282-0370

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

Lebanon Public Library  
Warren County  
101 S Broadway  
Lebanon, Ohio 45036

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 financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Lebanon Public Library, Warren County (the Library) and have issued our report thereon dated March 14, 2025, wherein we noted the Library followed financial reporting provisions Ohio Rev Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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

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

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

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

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 14, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**LEBANON PUBLIC LIBRARY**

**WARREN 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 4/8/2025**

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

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