

**COMMUNITY LIBRARY OF BIG WALNUT LSD
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022





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Columbus, Ohio 43215
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Board of Trustees
Community Library of Big Walnut Local School District
44 Burrer Dr.
Sunbury, OH 43074

We have reviewed the *Independent Auditor's Report* of the Community Library of Big Walnut Local School District, Delaware County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Community Library of Big Walnut Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2024

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**COMMUNITY LIBRARY OF BIG WALNUT LSD
DELAWARE COUNTY
DECEMBER 31, 2023 AND 2022**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis- For the year ending December 31, 2023	4
Basic Financial Statements:	
Statement of Net Position- For the year ending December 31, 2023.....	8
Statement of Activities- For the year ending December 31, 2023	9
Statement of Assets and Fund Balances - For the year ending December 31, 2023	10
Statement of Receipts, Disbursements and Changes in Fund Balances - For the year ending December 31, 2023	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund- For the year ending December 31, 2023	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual OH ODE-Libraries Accelerated Learning Fund- For the year ending December 31, 2023.....	13
Notes to the Basic Financial Statements- For the year ending December 31, 2023	14
Prepared by Management:	
Management's Discussion and Analysis- For the year ending December 31, 2022	32
Statement of Net Position- For the year ending December 31, 2022	37
Statement of Activities- For the year ending December 31, 2022	38
Statement of Assets and Fund Balances - For the year ending December 31, 2022	39
Statement of Receipts, Disbursements and Changes in Fund Balances - For the year ending December 31, 2022	40
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund- For the year ending December 31, 2022	41
Notes to the Basic Financial Statements- For the year ending December 31, 2022	42
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	61

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INDEPENDENT AUDITOR'S REPORT

Community Library of Big Walnut LSD
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Library of Big Walnut Local School District, Delaware County, Ohio (the Library), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library as of December 31, 2023 and 2022, and the respective changes in cash basis financial position and the budgetary comparison for the General Fund and OH DOE – Libraries Accelerated Learning Fund for the years then ended in accordance with the cash basis of accounting described in Note 2.

Basis for Opinion

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 opinion.

Emphasis of Matter – Accounting Basis

We draw attention to Note 2 of the financial statements for 2023 and 2022, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 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.

Charles E. Harris Associates

Charles E. Harris & Associates, Inc.
June 20, 2024

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

This discussion and analysis of the financial performance of Community Library of the Big Walnut Local School District (the Library) provides an overall review of the Library's financial activities for the year ended December 31, 2023, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2023 are as follows:

- Record increases in circulation, program attendance, and visits to the Library.
- Ability to serve the community during a power outage by installing a generator.
- Secured local funding through a 1 mill, 5-year replacement levy.

2023 was another positive year for the Community Library. The Library used statistics as one of the most basic indicators of our performance. The library saw growth in three major areas: circulation, program attendance, and visits. What is more, the growth in all three areas broke previous historical records. This growth in library use demonstrates that first, the community is growing which is resulting in increased demand for library services. Second, collections and programs are being utilized by the community. The library is a vibrant destination for Big Walnut residents.

In 2023, circulation increased. The strongest area of print book growth was in the young adult collection. The Library has been trying for years to engage the teen population, and the efforts of the youth services staff are producing results. Media circulation, which had been trailing in previous years, saw an increase. This growth is in large part due to digital audiobooks. Like digital audiobooks, e-book circulation continues to explode. The library has tried to raise awareness of its online collections through various promotional materials. The new catalog also increases the visibility of online offerings by displaying them in the search results.

Attendance at library programs was incredible over the last year. Like material circulation, young adult program attendance saw outstanding growth. It grew more than any other area. Programs such as an art show, coding classes, and writing workshops have helped build strong teen participation. Offering multiple sessions of popular juvenile programs in the summer helped bolster juvenile attendance. Likewise, baby time was reintroduced bringing in additional patronage. The library also added some new adult programs, including homesteading workshops and American Sign Language classes. All of these additions helped push attendance up in 2023.

In 2023, the Library had a record number of daily visitors. A growing number of patrons are using the library for other purposes than just books and materials, such as notary services or as a meeting space. This demonstrates that the library serves as a community center in the Big Walnut area.

The Library undertook several facility projects to make the site more inviting. Communications staff updated signs throughout the building to make it easier to navigate. They also replaced meeting room signs with digital displays that update in real-time, which give patrons up-to-date information throughout the day. Facility staff addressed maintenance issues identified in the Library's 2022 facility assessment. Likewise, the Library installed a generator to provide electricity during power outages. Food trucks were onsite

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

Highlights (Continued)

throughout the year, giving patrons a convenience option for food while visiting the Library. These projects work together to make the Library a safe and welcoming place to visit.

In addition to our accomplishments throughout the year, the Library successfully secured funding for the next five years. Despite the unstable economy and significantly higher home values, voters approved a 1 mill replacement levy to begin in 2025. The additional funding generated from the levy will provide the resources the Library needs to continue expanding our programs, services, and space as the community grows.

Financially, our net position increased \$441,194 over last year. At year-end, the total net position was \$4,157,793, with \$2,644,838 assigned to Capital Projects. The increase in net position is attributed to conservative spending, increased receipts from local levy revenues, and the strategic investment of cash.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

The Community Library of Big Walnut Local School District

Delaware County

Management’s Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

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Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2023, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental type activities of the Library at year-end. The statement of activities compares cash disbursements with program receipts for each governmental type 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 cash disbursements with program receipts identifies how each governmental function draws from the Library’s general receipts.

These statements report the Library’s cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library’s financial health. Over time, increases or decreases in the Library’s cash position is one indicator of whether the Library’s financial health is improving or deteriorating. When evaluating the Library’s financial condition, you should also consider other non-financial factors such as the condition of the Library’s capital assets and infrastructure (a 28 year old library site and structure); and the Library’s debt obligations (of which there are none); and the near term security provided by the passage of the Library operating levy, securing a local revenue stream for the Library.

Table 1 provides a summary of the Library’s net position for 2023 compared to 2022 on a cash basis:

Table 1
Statement of Net Position - Cash Basis

	<u>2023</u>	<u>2022</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 4,157,793	\$ 3,716,599
Total Assets	<u>\$ 4,157,793</u>	<u>\$ 3,716,599</u>
Net Position		
Unrestricted	4,157,793	3,716,599
Total Net Position	<u>\$ 4,157,793</u>	<u>\$ 3,716,599</u>

The local revenue stream, began in 2010, provided tax revenue, including rollback/homestead amounts in 2023 of \$967,838. Public Library Funds in 2023 amounted to \$712,932. Careful planning and prudent spending of library funds enable the execution of the Library’s vision of becoming the primary information and community center for Big Walnut area residents.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

Reporting the Library's Most Significant Funds

The Library presents the following Major Funds:

- General Fund: Used to cover annual operation budget including personnel, operations and library materials. The General Fund is always a major fund.
- Major Capital Project Fund: Used to account for capital projects with budgets exceeding \$50,000.
- Minor Capital Project Fund: Used to account for capital projects with budgets less than \$50,000.
- OH ODE – Libraries Accelerated Learning Fund: Used in association with expenses related to a grant awarded by ODE for educational programs for students.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

General fund disbursements for 2023 were budgeted at \$3,001,429 with actual disbursements amounting to \$1,721,403. With budgeted receipts at \$1,736,936 and actual receipts at \$1,888,340, we were able to end the year with an unencumbered carryover balance of \$1,492,369 in the General Fund to begin 2024.

Current Issues

The Library continues to enjoy wide support from area residents. A challenge we face going into the future is maintaining adequate levels of service as the population of the greater Big Walnut area continues to grow. Demand for library services, resources, and space outpace the growth of revenue, which may create some difficulties in coming years. The library will remain prudent and careful with public money, and continue to monitor our revenue streams to ensure we can meet the needs of our community.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Community 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 Chauncey Montgomery, Director/Fiscal Officer, at Community Library, 44 Burrer Drive, Sunbury, OH 43074, or by email at director@yourcl.org.

The Community Library of Big Walnut LSD

Statement of Net Position - Cash Basis

December 31, 2023

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 4,157,793
<i>Total Assets</i>	<u>\$ 4,157,793</u>
Net Position	
Restricted for:	
Other Purposes	\$ 19,572
Unrestricted	<u>4,138,221</u>
<i>Total Net Position</i>	<u>\$ 4,157,793</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$ 602,471	\$ 46,410	\$ 54,427	\$ (501,634)
Collection Development and Processing	430,999	-	-	(430,999)
Support Services:				
Facilities Operation and Maintenance	299,604	-	-	(299,604)
Information Services	66,308	-	-	(66,308)
Business Administration	115,048	1,379	-	(113,669)
Capital Outlay	56,496	-	-	(56,496)
Total Governmental Activities	\$ 1,570,926	\$ 47,789	\$ 54,427	(1,468,710)
General Receipts:				
				871,288
Property Taxes Levied for General Purposes				18,274
Unrestricted Gifts and Contributions				811,202
Grants/Entitlements not Restricted to Specific Programs				201,323
Earnings on Investments				7,817
Miscellaneous				7,817
Total General Receipts				1,909,904
Change in Net Position				441,194
Net Position Beginning of Year				3,716,599
Net Position End of Year				\$4,157,793

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2023

	General	OH DOE Libraries Accelerated Learning Fund	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,493,383	\$ 19,572	\$ 2,392,307	\$ 252,531	\$ 4,157,793
<i>Total Assets</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>
Fund Balances					
Restricted	\$ -	\$ 19,572	\$ -	\$ -	\$ 19,572
Assigned	1,014	-	2,392,307	252,531	2,645,852
Unassigned (Deficit)	1,492,369	-	-	-	1,492,369
<i>Total Fund Balances</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	OH DOE Libraries Accelerated Learning Fund	Major Capital Project Fund	Minor Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 871,288	\$ -	\$ -	\$ -	\$ -	\$ 871,288
Public Library	712,932	-	-	-	-	712,932
Intergovernmental	96,550	54,427	-	-	1,320	152,297
Patron Fines and Fees	46,410	-	-	-	-	46,410
Contributions, Gifts and Donations	18,274	-	-	-	400	18,674
Earnings on Investments	77,506	-	110,511	13,306	-	201,323
Miscellaneous	9,196	-	-	-	-	9,196
Total Receipts	1,832,156	54,427	110,511	13,306	1,720	2,012,120
Disbursements						
Current:						
Library Services:						
Public Services and Programs	595,589	5,162	-	-	1,720	602,471
Collection Development and Processing	430,999	-	-	-	-	430,999
Support Services:						
Facilities Operation and Maintenance	174,269	-	91,805	33,530	-	299,604
Information Services	61,308	5,000	-	-	-	66,308
Business Administration	108,001	7,047	-	-	-	115,048
Capital Outlay	15,022	41,474	-	-	-	56,496
Total Disbursements	1,385,188	58,683	91,805	33,530	1,720	1,570,926
Excess of Receipts Over (Under) Disbursements	446,968	(4,256)	18,706	(20,224)	-	441,194
Other Financing Sources (Uses)						
Transfers In	-	-	248,493	6,696	-	255,189
Transfers Out	(255,189)	-	-	-	-	(255,189)
Advances In	56,184	80,012	-	-	-	136,196
Advances Out	(80,012)	(56,184)	-	-	-	(136,196)
Total Other Financing Sources (Uses)	(279,017)	23,828	248,493	6,696	-	-
Net Change in Fund Balances	167,951	19,572	267,199	(13,528)	-	441,194
Fund Balances Beginning of Year	1,325,432	-	2,125,108	266,059	-	3,716,599
Fund Balances End of Year	\$ 1,493,383	\$ 19,572	\$ 2,392,307	\$ 252,531	\$ -	\$4,157,793

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 939,578	\$ 939,577	\$ 871,288	\$ (68,289)
Public Library	693,526	691,006	712,932	21,926
Intergovernmental	-	-	96,550	96,550
Patron Fines and Fees	32,000	32,000	46,410	14,410
Contributions, Gifts and Donations	7,000	15,500	18,274	2,774
Earnings on Investments	2,000	57,853	77,506	19,653
Miscellaneous	1,000	1,000	9,196	8,196
<i>Total Receipts</i>	<u>1,675,104</u>	<u>1,736,936</u>	<u>1,832,156</u>	<u>95,220</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	706,355	704,300	596,397	107,903
Collection Development and Processing	488,281	490,635	431,205	59,430
Support Services:				
Facilities Operation and Maintenance	206,751	208,345	174,269	34,076
Information Services	78,681	78,679	61,308	17,371
Business Administration	128,568	141,839	108,001	33,838
Capital Outlay	69,800	68,050	15,022	53,028
<i>Total Disbursements</i>	<u>1,678,436</u>	<u>1,691,848</u>	<u>1,386,202</u>	<u>305,646</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(3,332)</u>	<u>45,088</u>	<u>445,954</u>	<u>400,866</u>
Other Financing Sources (Uses)				
Transfers Out	(267,709)	(255,189)	(255,189)	-
Advances In	-	-	56,184	56,184
Advances Out	-	-	(80,012)	(80,012)
Other Financing Uses	(1,054,391)	(1,054,392)	-	1,054,392
<i>Total Other Financing Sources (Uses)</i>	<u>(1,322,100)</u>	<u>(1,309,581)</u>	<u>(279,017)</u>	<u>1,030,564</u>
<i>Net Change in Fund Balance</i>	<u>(1,325,432)</u>	<u>(1,264,493)</u>	<u>166,937</u>	<u>1,431,430</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>1,325,432</u>	<u>1,325,432</u>	<u>1,325,432</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 60,939</u>	<u>\$ 1,492,369</u>	<u>\$ 1,431,430</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 2003 OH ODE - Libraries Accelerated Learning
 For the Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 78,255	\$ 78,255	\$ 54,427	\$ (23,828)
<i>Total Receipts</i>	<u>78,255</u>	<u>78,255</u>	<u>54,427</u>	<u>(23,828)</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	14,073	14,073	5,162	8,911
Support Services:				
Information Services	5,000	5,000	5,000	-
Business Administration	17,708	17,708	7,047	10,661
Capital Outlay	41,474	41,474	41,474	-
<i>Total Disbursements</i>	<u>78,255</u>	<u>78,255</u>	<u>58,683</u>	<u>19,572</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>(4,256)</u>	<u>(4,256)</u>
Other Financing Sources (Uses)				
Advances In	-	-	80,012	80,012
Advances Out	-	-	(56,184)	(56,184)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>23,828</u>	<u>23,828</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>-</u>	<u>19,572</u>	<u>19,572</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,572</u>	<u>\$ 19,572</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 1 – Description of the Library and Reporting Entity

The Community Library of Big Walnut School (the Library) was organized as a school district public library in 1944 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Big Walnut Local School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. 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 financial accountability being solely that of the Clerk/Treasurer.

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 purposes 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 Big Walnut Local School District.

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

The Library participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

The Community Library Friends is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Although the economic resources of the Community Library Friends almost entirely benefit the Library, the Library is not entitled nor does it have access to the economic resources of the Community Library Friends. While the resources received by the Library from the Friends serves to enhance programs, facilities and collection, these resources are not significant proportionally to the Library's annual budget. Therefore, this organization has been excluded from the reporting entity of the Library.

Community Library Foundation (the "Foundation") was founded in 1998 to receive and manage major donations made to benefit the Library. The seven-member Board of Directors is appointed by the Library's Board of Trustees to maintain secure investments, promote fundraising and determine appropriate use of funds. Appropriate use may include: services to the Big Walnut community, grant funding, scholarships, continuing education for the Library staff, and bringing traveling programs to the community. Its resources are not exclusively for the Library and the Library does not have access to those resources. Therefore, this organization has been excluded from the reporting entity of the Library.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 1 – Description of the Library and Reporting Entity

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Library’s accounting policies.

Basis of Presentation

The Library’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library’s governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library’s general receipts.

Fund Financial Statements During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental 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.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library's major governmental funds:

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

Major Capital Project Fund The Major Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for major capital projects (projects in excess of \$50,000) and technology improvements.

Minor Capital Project Fund The Minor Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for minor capital projects (projects of \$50,000 and less) such as repairs and maintenance on the facility and grounds.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. With the exception of investment purchases and sales, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, (except custodial funds), are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund 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 Treasurer. The amounts reported as the original budgeted amounts on the

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The 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 that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

Cash and Cash Equivalents

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2023, the Library invested in a money market mutual fund and STAR Ohio. Investments held in STAR Ohio are deemed to be a cash equivalent and are reported as such. The Library's money market mutual fund investment is recorded at the amount reported by First Commonwealth Bank on December 31, 2023.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Interest earnings are allocated to Library funds according to State statutes. Interest receipts credited to the Library were \$201,323.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Library is the lessee in a lease related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid. During 2023, a lease for copiers that began in November 2022 was continued under the 60-month contract. The cost of the lease is \$179.52 per month.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the Library's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for Capital Projects.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that

The Community Library of Big Walnut LSD

Delaware County

Notes to the Basic Financial Statements

December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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. State Statute authorizes the Library Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and 2003 OH ODE-Libraries Accelerated Learning fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis).

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 3 - Budgetary Basis of Accounting (Continued)

The encumbrances outstanding at year end (budgetary basis) amounted to \$1,014 for the General Fund for the year ended December 31, 2023.

Note 4 - Deposits and Investments

State statutes classify monies held by the Library 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.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's 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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 4 - Deposits and Investments (Continued)

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

At year end, the Library had \$135 in undeposited cash on hand which is included as part of "Cash" or "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Deposits

At December 31, 2023, all Library's bank balances of \$109,543 were insured by the Federal Deposit Insurance Corporation.

Investments

The fair value of these investments is not materially different from Net Asset Value. As of December 31, 2023, the Library had the following investments:

	Net Asset Value	Maturity
STAR Ohio	\$4,053,941	Average 46.4 days
Total Portfolio	\$4,053,941	

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

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 statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

Note 5 - Grants in Aid and Property Taxes

Grants in Aid

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

Property Taxes

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

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

The Community Library of Big Walnut LSD

Delaware County

Notes to the Basic Financial Statements

December 31, 2023

Note 5 - Grants in Aid and Property Taxes (Continued)

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

The full tax rate for all Library operations for the year ended December 31, 2023, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$2,071,000
Public Utility Personal Property	<u>137,400</u>
Total	<u>\$2,208,400</u>

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

Note 6 - Interfund Balances and Transfers

Transfers

During 2023, the following transfers were made:

<u>Transfer to</u>	<u>Transfer from</u>	
	<u>Major Fund</u>	
	General	Total
Major Funds:		
Major Capital Project Fund	(\$248,493)	(\$248,493)
Minor Capital Project Fund	<u>(6,696)</u>	<u>(6,696)</u>
Total all Funds	<u>(\$255,189)</u>	<u>(\$255,189)</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

At December 31, 2023, the 2003 OH DOE – Ohio Accelerated Learning fund owed the General fund \$23,828.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 7 - Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained unchanged effective November 1, 2021 and November 1, 2020. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022. (latest information available)

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 - Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

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

	<u>State and Local</u>	
	<u>Traditional</u>	<u>Combined</u>
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee*	10.0 %	10.0 %
2023 Actual Contribution Rates		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits**	0.0 %	2.0 %
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

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

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

For 2023, the Library’s contractually required contribution was \$97,038 for the traditional plan.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan 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.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

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

Note 10 - Fund Balances

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

Fund Balances	General	OH DOE Libraries Accelerate Learning Fund	Major Capital Project Fund	Minor Capital Project Fund	Total
Restricted for					
Programs	\$ -	\$ 19,572	\$ -	\$ -	\$ 19,572
<i>Total Restricted</i>	-	19,572	-	-	19,572
Assigned to					
Capital Improvements	-	-	2,392,307	252,531	2,644,838
Outstanding Encumbrances	1,014	-	-	-	1,014
<i>Total Assigned</i>	1,014	-	2,392,307	252,531	2,645,852
Unassigned (Deficit)	1,492,369	-	-	-	1,492,369
<i>Total Fund Balances</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2023, is \$400,000.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

This discussion and analysis of Community Library of the Big Walnut Local School District's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2022, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2022 are as follows:

We continue to see positive results in our three service areas as defined by our strategic plan. Those three areas are:

- Satisfy Curiosity – relating to resources that support interests and promote lifelong learning.
- Intergenerational Services and Programming – programs that foster community, understanding, and fun.
- Visit a Comfortable Place – providing welcoming spaces for people to interact or to sit quietly and read.

Following is a highlight of some of our accomplishments in each service area.

The first service area, Satisfy Curiosity, focuses on our resources. One area we worked on in 2022 was acquisitions. Our technical services staff have done an outstanding job of getting popular titles into our catalog before they are released so patrons can place holds sooner. This not only increases the likelihood that patrons will borrow the book from the Library, but it also helps us determine demand. If hold lists get too lengthy, we can purchase additional copies to meet their demand.

We also started our new Book Shelf Subscription service in 2022. This service automatically subscribes patrons to a hold list for print titles by popular authors. Patrons no longer have to monitor their favorite authors for new releases. It also allows us to ensure we are ordering enough titles when ordering. We currently have 40 patrons subscribed to this service and it continues to grow.

Another project we worked on in 2022 was improving the mobile app. As more individuals use their mobile devices to manage their lives, we wanted to make sure our COOL app was providing the functionality needed to easily manage accounts and access resources. We fixed some interface issues on the app to make it easier to navigate. We also made sure the Android and iOS versions provided a uniform experience. Before our development work, there was inconsistency in features between the two apps. We added a link to additional content on titles, which provides information such as summaries and series information. We added a link to our events calendar, making it easier for patrons to connect with our schedule of programs. We also enabled the ability to scan ISBNs to search the catalog, making it easier for patrons to find titles in our catalog.

Finally, we continued our efforts to promote the collection through our newsletters and displays. We maintained a consistent schedule of weeding the collection which helps us get rid of titles that are not circulating or damaged. Weeding also frees up much-needed space so patrons can find titles more easily.

Intergenerational Services and Programming is related to the programs offered by the Library. We want to make sure all patrons are offered a variety of topics at various times to promote personal development. We also intend to build a stronger community by bringing people together.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Highlights (Continued)

One of the most significant projects in this area was transitioning to a new platform for managing our programs. The limitations of our older system created difficulty for staff and patrons. We needed a solution that was flexible, user-friendly, and provided features patrons expected, including easier navigation and registration on mobile devices. In 2022 we moved to Communico, which had most of the features we were looking for.

In addition to the new software, we continued to expand our program offerings based on feedback from patrons in last year's survey. We added some additional programs for homeschooled students, which have been received well. With an additional full-time staff in youth services, we could develop more programs for teens. We also added more programs for older elementary children. For adults, we added a new cookbook club. With virtual meetings becoming more normal, we were able to enhance book clubs and other programs by inviting speakers to present to groups via Zoom.

Providing programs for multiple age groups has been one of our interests for the past several years. To that end, we continued offering our seasonal family events such as our Halloween (this year was Alice in Wonderland) and Christmas programs. We also brought back family movie night which ended in 2020 due to health concerns. We also added a few new events, like the water balloon fight, maker place music, and the bike workshop. In total, we were able to offer at least one intergenerational event a month.

The last service area we focus on in our strategic plan, Visit a Comfortable Place, is related to creating inviting spaces for patrons to interact. Making the Library a safe, welcoming, and attractive space is a priority. We want the community to feel proud of their Library and the grounds.

We used the information provided in our recent facility assessment to help us in the maintenance of the building. The plan identified a handful of interior and exterior projects. We were able to start most of the interior projects in 2022 and hope to move on to the exterior projects in 2023 once the weather improves.

We also spent time discussing our options regarding the community's interest in an outdoor venue. We have a viable option to explore that would provide us with an outdoor space, but would not create any long-term challenges.

In 2022, we undertook some smaller initiatives to make the Library more inviting. For example, we invited some food trucks to the Library throughout the summer. We also added a feature to our website that allows patrons to book group study rooms online, making it easier and more convenient.

Finally, we moved to a new website in 2022. We often think of the Library as a building, but our web presence is just as important. Our communications staff spent months evaluating different platforms. We found a solution that allowed us to organize our information better and was easier for staff to maintain. The new website is also more mobile-friendly than our old site.

Overall, 2022 turned out to be a successful year for the Library. We continue to be a vibrant and growing institution in the Big Walnut community. Unfortunately, numbers and percentages are all we have to demonstrate our effectiveness. We hope that these statistics translate into a child learning to read, a student getting a deeper understanding of a subject, someone learning a new skill, a family picking up a new hobby, or a mind being opened to a new way of thinking. We trust they do.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2022

Unaudited

Highlights (Continued)

Financially, net position increased \$307,015 over last year. At year end, total net position was \$3,716,599, with \$2,391,167 assigned to Capital Projects. The increase in net position is attributed to conservative spending, increased receipts from PLF and local levy revenues, as well as strategic investment of cash.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental type activities of the Library at year-end. The statement of activities compares cash disbursements with program receipts for each governmental type 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 cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

The Community Library of Big Walnut Local School District
Delaware County
 Management's Discussion and Analysis
 For the Year Ended December 31, 2022
 Unaudited

Reporting the Library as a Whole (Continued)

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors such as the condition of the Library's capital assets and infrastructure (a 27 year old library site and structure); and the Library's debt obligations (of which there are none); and the near term security provided by the passage of the Library operating levy, securing a local revenue stream for the Library.

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

Table 1
 Statement of Net Position - Cash Basis

	2022	2021
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,716,599	\$ 3,409,584
Total Assets	\$ 3,716,599	\$ 3,409,584
 Net Position		
Unrestricted	3,716,599	3,409,584
Total Net Position	\$ 3,716,599	\$ 3,409,584

The local revenue stream, began in 2010, provided tax revenue, including rollback/homestead amounts in 2022 of \$932,960. Public Library Funds in 2022 amounted to \$705,909. Careful planning and prudent spending of library funds enable the execution of the Library's vision of becoming the primary information and community center for Big Walnut area residents.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Reporting the Library's Most Significant Funds

The Library presents the following Major Funds:

- General Fund: Used to cover annual operation budget including personnel, operations and Library materials. The General Fund is always a major fund.
- Major Capital Project Fund: Used to account for capital projects with budgets exceeding \$50,000.
- Minor Capital Project Fund: Used to account for capital projects with budgets less than \$50,000.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

General fund disbursements for 2022 were budgeted at \$2,901,963 with actual disbursements amounting to \$1,660,396. With budgeted receipts at \$1,669,875 and actual receipts at \$1,713,221, we were able to end the year with an unencumbered carryover balance of \$1,325,432 in the General Fund to begin 2023.

Current Issues

The Library continues to enjoy wide support from area residents. A challenge we face going into the future is maintaining adequate levels of service as the population of the greater Big Walnut area continues to grow. Demand for Library services, resources, and space outpace the growth of revenue, which may create some difficulties in coming years. The Library will remain prudent and careful with public money, and continue to monitor our revenue streams to ensure we can meet the needs of our community.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Community 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 Chauncey Montgomery, Director/Fiscal Officer, at Community Library, 44 Burrer Drive, Sunbury, OH 43074, or by email at director@yourcl.org.

The Community Library of Big Walnut LSD

Statement of Net Position - Cash Basis

December 31, 2022

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,716,599</u>
<i>Total Assets</i>	<u><u>\$3,716,599</u></u>
Net Position	
Unrestricted	<u>3,716,599</u>
<i>Total Net Position</i>	<u><u>\$3,716,599</u></u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Cash Disbursements	Program Cash Receipts Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities			
Current:			
Library Services	\$1,336,800	\$40,461	(\$1,296,339)
Support Services:			
Facilities Operation and Maintenance	87,612	-	(87,612)
Business Administration	-	1,208	1,208
Capital Outlay	7,717	-	(7,717)
<i>Total Governmental Activities</i>	<u>1,432,129</u>	<u>41,669</u>	<u>(1,390,460)</u>
General Receipts:			
Property Taxes Levied for General Purposes			838,877
Unrestricted Gifts and Contributions			11,498
Grants/Entitlements not Restricted to Specific Programs			799,992
Earnings on Investments			46,687
Miscellaneous			421
<i>Total General Receipts</i>			<u>1,697,475</u>
Change in Net Position			307,015
<i>Net Position Beginning of Year</i>			<u>3,409,584</u>
<i>Net Position End of Year</i>			<u>\$3,716,599</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2022

	General	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,325,432	\$ 2,125,108	\$ 266,059	\$ 3,716,599
<i>Total Assets</i>	<u>\$ 1,325,432</u>	<u>\$ 2,125,108</u>	<u>\$ 266,059</u>	<u>\$ 3,716,599</u>
Fund Balances				
Assigned	-	2,125,108	266,059	2,391,167
Unassigned (Deficit)	1,325,432	-	-	1,325,432
<i>Total Fund Balances</i>	<u>\$ 1,325,432</u>	<u>\$ 2,125,108</u>	<u>\$ 266,059</u>	<u>\$ 3,716,599</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$ 838,877	\$ -	\$ -	\$ 838,877
Public Library	705,909	-	-	705,909
Intergovernmental	94,083	-	-	94,083
Patron Fines and Fees	40,461	-	-	40,461
Contributions, Gifts and Donations	11,498	-	-	11,498
Earnings on Investments	20,764	22,714	3,209	46,687
Miscellaneous	1,629	-	-	1,629
<i>Total Receipts</i>	<u>1,713,221</u>	<u>22,714</u>	<u>3,209</u>	<u>1,739,144</u>
Disbursements				
Current:				
Library Services	1,336,800	-	-	1,336,800
Support Services:				
Facilities Operation and Maintenance	-	82,998	4,614	87,612
Capital Outlay	7,717	-	-	7,717
<i>Total Disbursements</i>	<u>1,344,517</u>	<u>82,998</u>	<u>4,614</u>	<u>1,432,129</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>368,704</u>	<u>(60,284)</u>	<u>(1,405)</u>	<u>307,015</u>
Other Financing Sources (Uses)				
Transfers In	-	315,879	-	315,879
Transfers Out	(315,879)	-	-	(315,879)
<i>Total Other Financing Sources (Uses)</i>	<u>(315,879)</u>	<u>315,879</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	52,825	255,595	(1,405)	307,015
<i>Fund Balances Beginning of Year</i>	<u>1,272,607</u>	<u>1,869,513</u>	<u>267,464</u>	<u>3,409,584</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,325,432</u></u>	<u><u>\$2,125,108</u></u>	<u><u>\$266,059</u></u>	<u><u>\$3,716,599</u></u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
*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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 939,576	\$ 939,577	\$ 838,877	\$ (100,700)
Public Library	647,779	688,298	705,909	17,611
Intergovernmental	-	-	94,083	94,083
Patron Fines and Fees	32,000	32,000	40,461	8,461
Contributions, Gifts and Donations	7,000	7,000	11,498	4,498
Earnings on Investments	2,000	2,000	20,764	18,764
Miscellaneous	1,000	1,000	1,629	629
<i>Total Receipts</i>	<u>1,629,355</u>	<u>1,669,875</u>	<u>1,713,221</u>	<u>43,346</u>
Disbursements				
Current:				
Library Services:	1,484,293	1,484,294	1,336,800	147,494
Capital Outlay	55,000	55,000	7,717	47,283
<i>Total Disbursements</i>	<u>1,539,293</u>	<u>1,539,294</u>	<u>1,344,517</u>	<u>194,777</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>90,062</u>	<u>130,581</u>	<u>368,704</u>	<u>238,123</u>
Other Financing Sources (Uses)				
Transfers Out	(315,879)	(315,879)	(315,879)	-
Other Financing Uses	(1,046,790)	(1,046,790)	-	1,046,790
<i>Total Other Financing Sources (Uses)</i>	<u>(1,362,669)</u>	<u>(1,362,669)</u>	<u>(315,879)</u>	<u>1,046,790</u>
<i>Net Change in Fund Balance</i>	<u>(1,272,607)</u>	<u>(1,232,088)</u>	<u>52,825</u>	<u>1,284,913</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>1,272,607</u>	<u>1,272,607</u>	<u>1,272,607</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 40,519</u>	<u>\$ 1,325,432</u>	<u>\$ 1,284,913</u>

See accompanying notes to the basic financial statements

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Description of the Library and Reporting Entity

The Community Library of Big Walnut School (the Library) was organized as a school district public library in 1944 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Big Walnut Local School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. 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 financial accountability being solely that of the Clerk/Treasurer.

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 purposes 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 Big Walnut Local School District.

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

The Library participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

The Community Library Friends is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Although the economic resources of the Community Library Friends almost entirely benefit the Library, the Library is not entitled nor does it have access to the economic resources of the Community Library Friends. While the resources received by the Library from the Friends serves to enhance programs, facilities and collection, these resources are not significant proportionally to the Library's annual budget. Therefore, this organization has been excluded from the reporting entity of the Library.

Community Library Foundation (the "Foundation") was founded in 1998 to receive and manage major donations made to benefit the Library. The seven-member Board of Directors is appointed by the Library's Board of Trustees to maintain secure investments, promote fund raising and determine appropriate use of funds. Appropriate use may include: services to the Big Walnut community, grant funding, scholarships, continuing education for the Library staff, and bringing traveling programs to the community. Its resources are not exclusively for the Library and the Library does not have access to those resources. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Library’s accounting policies.

Basis of Presentation

The Library’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

The statement of net position presents the cash and investment balances, of the governmental type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library’s general receipts.

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

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library’s major governmental funds:

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Major Capital Project Fund The Major Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for major capital projects (project in excess of \$50,000) and technology improvements.

Minor Capital Project Fund The Minor Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for minor capital projects (project of \$50,000 and less) such as repairs and maintenance on the facility and grounds.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. With the exception of investment purchases and sales, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

Budgetary Process

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

The 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 that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

During 2022, the Library invested in nonnegotiable certificates of deposit and STAR Ohio. The certificates of deposit held at CF Bank matured in October. Investments are reported at cost, except for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Library funds according to State statutes. Interest receipts credited to the Library were \$46,687.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Leases

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

The Library is the lessee in a lease related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid. During 2022, a lease for copiers began in November and will be in effect for 60 months. The cost of the lease is \$179.52 per month.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Library Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Internal Activity (Continued)

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

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

- Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). There were no outstanding encumbrances at year end for any fund.

Note 4 – Deposits and Investments

State statutes classify monies held by the Library 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.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institution's 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.

Community Library of Big Walnut Local School District
Delaware County

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

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

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

At year end, the Library had \$135 in undeposited cash on hand which is included as part of “Cash” or “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

At December 31, 2023, none of the Library’s bank deposits were exposed to custodial credit risk.

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 105 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 required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different from Net Asset Value. As of December 31, 2022, the Library had the following investments:

	Net Asset	
	Value	Maturity
STAR Ohio	\$3,232,292	Average 31.9 days
Total Portfolio	<u>\$3,232,292</u>	

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring that the Library’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard 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.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

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.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Grants in Aid and Property Taxes

Property Taxes – (Continued)

The full tax rate for all Library operations for the year ended December 31, 2022, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$1,115,603,050
Public Utility Personal Property	135,665,850
Total	\$1,251,268,900

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 – Interfund Balances and Transfers

Transfers

During 2022, the following transfers were made:

	Transfer from	
Transfer to	Major Fund	
	General	Total
Major Funds:		
Major Capital Project Fund	(\$315,879)	(\$315,879)

The above mentioned Transfer From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plan (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plan (Continued)

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

Community Library of Big Walnut Local School District
Delaware County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 8 – Defined Benefit Pension Plan (Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the Library's contractually required contribution was \$105,552 for the traditional plan.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits (continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan.

Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits (continued)

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 10 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Major Capital Projects</u>	<u>Minor Capital Projects</u>	<u>Total</u>
Assigned to				
Capital Improvements	\$ -	\$ 2,125,108	\$ 266,059	\$ 2,391,167
<i>Total Assigned</i>	<u>-</u>	<u>2,125,108</u>	<u>266,059</u>	<u>2,391,167</u>
Unassigned (Deficit)	1,325,432	-	-	1,325,432
<i>Total Fund Balances</i>	<u>\$1,325,432</u>	<u>\$2,125,108</u>	<u>\$266,059</u>	<u>\$3,716,599</u>

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2022, is \$400,000.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Library’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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

Community Library of Big Walnut LSD
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Library of Big Walnut Local School District, Delaware County, Ohio, (the Library) as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 20, 2024, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Internal Controls 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) to determine the 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.

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 determination of financial statement amounts. 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*.

However, we noted matters not requiring inclusion in this report that were reported to the Library's management in a separate letter dated June 20, 2024.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 20, 2024

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/5/2024

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