

***ASHLAND PUBLIC LIBRARY***

**ASHLAND COUNTY, OHIO**

**REGULAR AUDIT**

**For the Year Ended December 31, 2022 and 2021**







88 East Broad Street  
Columbus, Ohio 43215  
IPARepor**t**@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Ashland Public Library  
208 Lincoln Way East  
Ashland, Ohio 44646

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 21, 2023**

**This page intentionally left blank.**

**ASHLAND PUBLIC LIBRARY**  
**ASHLAND COUNTY, OHIO**  
**Regular Audit**  
**For the Years Ended December 31, 2022 and 2021**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis – For the Year Ended December 31, 2022 .....	4
Statement of Net Position – Cash Basis – December 31, 2022 .....	10
Statement of Activities – Cash Basis – For the Year Ended December 31, 2022 .....	11
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds – December 31, 2022 .....	12
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2022.....	13
General Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – For the Year Ended December 31, 2022 .....	14
Notes to the Basic Financial Statements – For the Year Ended December 31, 2022 .....	15
Management's Discussion and Analysis – For the Year Ended – December 31, 2021 .....	32
Statement of Net Position – Cash Basis – For the Year Ended December 31, 2021.....	39
Statement of Activities – Cash Basis – For the Year Ended December 31, 2021 .....	40
Statement of Assets and Fund Balances – Cash Basis – Governmental Funds – December 31, 2021 .....	41
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds – For the Year Ended December 31, 2021.....	42
General Fund Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis – For the Year Ended December 31, 2021 .....	43
Notes to the Basic Financial Statements – For the Year Ended December 31, 2021 .....	44
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	62

**This page intentionally left blank.**

**INDEPENDENT AUDITOR'S REPORT**

Ashland Public Library  
Ashland County  
208 Lincoln Way East  
Ashland, Ohio 44646

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 and each major fund of the Ashland Public Library, Ashland County, Ohio (the Library), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2022 and 2021, and the respective changes in cash basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the cash basis of accounting described in Note 2.

***Basis for Opinions***

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

***Emphasis of Matter - Accounting Basis***

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

***Emphasis of Matter***

As discussed in Note 12 to the 2022 financial statements and Note 13 to the 2021 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Library. We did not modify our opinion regarding 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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



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

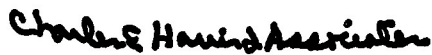
***Other Information***

We applied no procedures to Management's Discussion & Analysis. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2023, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



*Charles E. Harris & Associates, Inc.*  
June 5, 2023

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

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

**Highlights**

Key highlights for 2022 are as follows:

- Net position of governmental activities increased \$60,427, or approximately two percent from 2021.
- The Library's general receipts are primarily from property taxes and the state public library fund (PLF). These receipts represent 94% of the total cash received for governmental activities during the year. Property tax receipts were approximately the same as the previous year, while PLF receipts increased approximately eight percent.

**Using the Basic Financial Statements**

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

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (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.

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

**Reporting the Library as a Whole**

The statement of net position and the statement of activities reflect how the Library did financially during 2022, within the limitations of the cash basis accounting. The statement of net position presents the cash balances of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational 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 changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well as the Library's property tax base, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources such as property taxes and the PLF.

In the statement of net position and the statement of activities, the Library reports all services provided as Governmental Activities. Library and local government support finance most of these activities.

**Reporting the Library's Most Significant Funds**

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are categorized as governmental funds.

The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the General Fund, Building Equipment and Repair Fund, Bookmobile Fund, and the Building Renovation Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

**The Library as a Whole**

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

(Table 1)

	Net Position Governmental Activities		
	2022	2021	Change
<u>Assets</u>			
Equity in Pooled Cash & Cash Equivalents	\$3,443,778	\$3,383,351	\$60,427
 <u>Net Position</u>			
Unrestricted	\$3,443,778	\$3,383,351	\$60,427

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

Table 2 reflects the changes in net position in 2022 and 2021 for governmental activities.

*Table 2*

	Changes in Net Position Governmental Activities		
	2022	2021	Change
Receipts:			
Program Receipts:			
Charges for Service and Sales	\$19,548	\$13,255	\$6,293
Operating Grants and Contributions	11,635	8,836	2,799
Total Program Receipts	\$31,183	22,091	9,092
General Receipts:			
Property Taxes	469,780	470,044	(264)
Public Library	1,396,591	1,291,005	105,586
Intergovernmental	51,526	52,188	(662)
Unrestricted Gifts and Contributions	1,081	546	535
Earnings on Investments	41,190	2,331	38,859
Total General Receipts	1,960,168	1,816,114	144,054
Total Receipts	1,991,351	1,838,205	153,146
Disbursements:			
Library Services			
Public Services and Programs	688,484	605,754	82,730
Collection Development and Processing	389,951	332,754	57,197
Support Services			
Facilities Operation and Management	137,929	148,372	(10,443)
Information Services	94,770	71,815	22,955
Business Administration	248,495	232,404	16,091
Capital Outlay	371,295	58,949	312,346
Total Disbursements	1,930,924	1,450,048	480,876
Change in Net Position	60,427	388,157	(327,730)
Net Position January 1	3,383,351	2,995,194	388,157
Net Position December 31	\$3,443,778	\$3,383,351	\$60,427

General receipts represent the majority of the Library's total receipts. Public Library Fund receipts accounted for 70% of the Library's total revenue in 2022. Property taxes, intergovernmental revenue, earnings on investments, and contributions and donations make up the balance of the Library's general receipts. The increase in PLF receipts is due to higher state revenue collections during 2022. The increase in earnings on investments was due to the overall increase in short term interest rates that began in early 2022.

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

Disbursements for Public Services and Programs, Collection Development and Processing, Facilities Operation and Management, Information Services, Business Administration, and Capital Outlay represent the costs of running the Library. Disbursements for Public Services and Programs and Collection Development and Processing increased in 2022 as a result of the library resuming a full year of normal operations after previous reductions during the COVID-19 pandemic in 2020 and 2021. Capital Outlay expenditures increased in 2022 due to the purchase of a new outreach vehicle and spending on capital improvements to the Library's parking lot and site.

**Governmental Activities**

If you look at the Statement of Activities for the Library, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursements for Governmental Activities are for Library Services, which account for 56% of all Governmental disbursements in 2022. The next two columns of the Statement entitled Program Receipts identifies amounts paid by people who are directly charged for the service cash such as copier charges and library fines and fees or operating grants and contributions. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local funds. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Table 3**

**Governmental Activities**

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
<b>Program Expenses:</b>				
<b>Library Services:</b>				
Public Services and Programs	\$ 688,484	\$ 666,486	\$ 605,754	\$ 589,488
Collection Development and Processing	389,951	389,951	332,754	331,479
<b>Support Services:</b>				
Facilities Operation and Maintenance	137,929	136,796	148,372	147,242
Information Systems	94,770	94,770	71,815	71,815
Business Administration	248,495	243,943	232,404	230,984
<b>Capital Outlay</b>	371,295	367,795	58,949	56,949
<b>Total</b>	\$ 1,930,924	\$ 1,899,741	\$ 1,450,048	\$ 1,427,957

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

**The Library's Funds**

Total Governmental Funds had receipts of \$1,991,351 and disbursements of \$1,930,924 in 2022. The increase in the fund balance of the General Fund was mostly due to an increase in public library funding and earnings on investments over the previous year. The decrease in fund balance of the Building Equipment & Repair Fund and Building Renovation Fund can be attributed to the parking lot and site improvement project that took place during 2022.

**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.

During 2022, the Library amended its General Fund budget to reflect changing circumstances. Final actual receipts were \$182,262 more than final budgeted receipts due to increased revenues from the PLF and earnings on investments.

Final disbursements, not including Transfers Out, in the General Fund for 2022 were budgeted at \$1,740,709, while actual disbursements were \$1,609,031. The Library kept spending well within total budgeted amounts and had a budgetary cash fund balance of \$2,399,078 at December 31, 2022.

**Current Issues**

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Library relies heavily on local property taxes and Public Library Funding. The Library continues to closely monitor its budget and provide quality services to the 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 the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Officer, Ashland Public Library, 224 Claremont Avenue, Ashland, Ohio 44805.

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

---

---

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,443,778</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$3,443,778</u></u>

See accompanying notes to the basic financial statements



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

	Program Cash Receipts			Net (Disbursements) Receipts & Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
Library Services:				
Public Services and Programs	\$ 688,484	\$ 13,863	\$ 8,135	\$ (666,486)
Collection Development and Processing	389,951			(389,951)
Support Services:				
Facilities Operation and Maintenance	137,929	1,133		(136,796)
Information Services	94,770			(94,770)
Business Administration	248,495	4,552		(243,943)
Capital Outlay	371,295		3,500	(367,795)
<i>Total Governmental Activities</i>	<u>\$1,930,924</u>	<u>19,548</u>	<u>11,635</u>	<u>(\$1,899,741)</u>
General Receipts:				
				469,780
				1,396,591
				51,526
				1,081
				41,190
				<i>Total General Receipts</i> 1,960,168
				60,427
				<i>Net Position Beginning of Year</i> 3,383,351
				<i>Net Position End of Year</i> \$3,443,778

See accompanying notes to the basic financial statements

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

	General	Building Equipment and Repair Fund	Bookmobile Fund	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,861,015	\$ 540,868	\$ 41,895	\$ 3,443,778
<i>Total Assets</i>	<u>2,861,015</u>	<u>540,868</u>	<u>41,895</u>	<u>3,443,778</u>
<b>Fund Balances</b>				
Assigned	461,938	540,868	41,895	1,044,701
Unassigned (Deficit)	<u>2,399,077</u>	<u>-</u>	<u>-</u>	<u>2,399,077</u>
<i>Total Fund Balances</i>	<u>\$ 2,861,015</u>	<u>\$ 540,868</u>	<u>\$ 41,895</u>	<u>\$ 3,443,778</u>

See accompanying notes to the basic financial statements

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

	General	Building Equipment and Repair Fund	Bookmobile Fund	Building Renovation Fund	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 469,780				\$ 469,780
Public Library	1,396,591				1,396,591
Intergovernmental	51,526				51,526
Patron Fines and Fees	10,764				10,764
Contributions, Gifts and Donations	12,716				12,716
Earnings on Investments	41,190				41,190
Miscellaneous	8,784				8,784
<i>Total Receipts</i>	<u>1,991,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,991,351</u>
<b>Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	688,484				688,484
Collection Development and Processing	389,951				389,951
Support Services:					
Facilities Operation and Maintenance	121,393	\$ 16,536			137,929
Information Services	94,770				94,770
Business Administration	248,495				248,495
Capital Outlay	40,519	178,763	\$ 34,525	\$ 117,488	371,295
<i>Total Disbursements</i>	<u>1,583,612</u>	<u>195,299</u>	<u>34,525</u>	<u>117,488</u>	<u>1,930,924</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	407,739	(195,299)	(34,525)	(117,488)	60,427
<b>Other Financing Sources (Uses)</b>					
Transfers In		150,000	56,388		206,388
Transfers Out	(206,388)				(206,388)
<i>Total Other Financing Sources (Uses)</i>	<u>(206,388)</u>	<u>150,000</u>	<u>56,388</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	201,351	(45,299)	21,863	(117,488)	60,427
<i>Fund Balances Beginning of Year</i>	<u>2,659,664</u>	<u>586,167</u>	<u>20,032</u>	<u>117,488</u>	<u>3,383,351</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,861,015</u>	<u>\$ 540,868</u>	<u>\$ 41,895</u>	<u>\$ -</u>	<u>\$ 3,443,778</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 493,598	\$ 493,598	\$ 469,780	\$ (23,818)
Public Library	1,244,651	1,244,651	1,396,591	151,940
Intergovernmental	54,844	54,844	51,526	(3,318)
Patron Fines and Fees	7,650	7,650	10,764	3,114
Contributions, Gifts and Donations	1,000	1,000	10,220	9,220
Earnings on Investments	2,000	2,000	41,190	39,190
Miscellaneous	1,100	1,100	7,034	5,934
<i>Total Receipts</i>	1,804,843	1,804,843	1,987,105	182,262
<b>Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	750,635	745,508	693,398	52,110
Collection Development and Processing	434,441	429,676	400,258	29,418
Support Services:				
Facilities Operation and Maintenance	145,956	135,268	125,668	9,600
Information Services	93,317	97,050	95,038	2,012
Business Administration	263,716	284,428	254,815	29,613
Capital Outlay	52,644	48,779	39,854	8,925
<i>Total Disbursements</i>	1,740,709	1,740,709	1,609,031	131,678
<i>Excess of Receipts Over (Under) Disbursements</i>	64,134	64,134	378,074	313,940
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(175,000)	(175,000)	(175,000)	-
<i>Total Other Financing Sources (Uses)</i>	(175,000)	(175,000)	(175,000)	-
<i>Net Change in Fund Balance</i>	(110,866)	(110,866)	203,074	313,940
<i>Unencumbered Fund Balance Beginning of Year</i>	2,155,080	2,155,080	2,155,080	-
Prior Year Encumbrances Appropriated	40,924	40,924	40,924	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 2,085,138	\$ 2,085,138	\$ 2,399,078	\$ 313,940

See accompanying notes to the basic financial statements

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

---

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

The Ashland Public Library (the Library) was organized as an association library in 1893, and later a school district public library in 1923 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Ashland City 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 Fiscal Officer.

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the Library is considered to be a related organization of the Ashland City School District.

***Related Organizations***

The Friends of the Ashland Public Library, Inc. is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The funds maintained by the organization are not significant in amount to the Library's total 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.

**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.

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

---

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

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

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

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

***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.

***Building Equipment and Repair Fund*** The building equipment and repair fund accounts for and reports resources transferred from the general fund for the maintenance and repair of the library's buildings, grounds, and contents.

***Bookmobile Fund*** The bookmobile fund accounts for and reports resources transferred from the general fund for the purchase, maintenance, and repair of the library's bookmobile vehicles.

***Building Renovation Fund*** The building renovation fund accounts for funds accumulated to improve the appearance, functionality, and safety of the library building and grounds during a period of renovation that started in 2016. The source of revenue for this fund was a portion of unrestricted proceeds received from the Inez A. Page and Nancy J. Stockwell estates, which were transfers from the general fund.

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

---

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

***Basis of Accounting***

The Library's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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***

The Library's 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 major category level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the 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.

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

---

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

During 2022, the Library invested in nonnegotiable certificates of deposit, federal agency securities, US Treasury money market fund, and STAR Ohio. Investments are reported at cost, except for the money market fund and STAR Ohio. The Library's money market fund is recorded at the amount reported by Fifth Third Securities, Inc. on December 31, 2022.

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 encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2022 amounted to \$41,190.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. The Library has no restricted assets.

***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.



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

---

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

***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 (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase 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 leases related to library equipment under noncancelable leases. Lease payables are not reflected under the Library's cash basis of accounting. Lease 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.

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

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

---

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

***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 Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Library may also assign fund balance as a result when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

***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***

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

***Estimates***

The cash basis of accounting used by the Library requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as expenditures by program type which cannot be specifically designated to a single program); accordingly, actual results could differ from those estimates.

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

---

**Note 3 – Budgetary Basis of Accounting**

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

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).
2. Budgetary receipts and disbursements of the special revenue fund, a legally budgeted separate fund, are reclassified to the general fund for cash basis reporting.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	General Fund
Budget Basis	\$203,074
Encumbrances	28,506
Special revenue fund reclassified to the general fund	(30,229)
Cash Basis	\$201,351

**Note 4 – Deposits and Investments**

The Library’s investment policy was developed and implemented in accordance with Ohio Revised Code Section 135. 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.

**Ashland Public Library**  
*Ashland 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
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. 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 \$180 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

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

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

***Deposits***

At December 31, 2022, the carrying value of the Library’s deposits was \$290,051. As of December 31, 2022, the Library’s bank balance was \$322,860, all of which was covered by FDIC.

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 requires the total market value of the securities pledged to be 102 percent of the deposits being secured or at a rate set by the Treasurer of State. For 2022, the Library’s financial institution was approved for a 50% collateral rate through the OPCS.

***Investments***

The Library reports their investments at cost or net asset value per share. The fair value of these investments is not materially different from measurement value. As of December 31, 2022, the Library had the following investments:

	Measurement Amount	Investment Maturities (in Years)	
		Less than 1	1-2
Negotiable CDs	\$ 1,250,000	\$ 503,000	\$ 747,000
Federal Home Loan Bank Notes	250,000		250,000
U.S. Treasury Money Market	8,809	8,809	
STAR Ohio	1,644,738	1,644,738	
Total Investments	\$3,153,547	\$2,156,547	\$997,000

***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, 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*** The Federal Home Loan Bank Notes carry a rating of Aaa by Moody’s and AA+ by Standard and Poor’s. STAR Ohio carries a rating of AAAM by Standard and Poor’s. The treasury money market fund and negotiable CDs were not rated. The Library’s investment policy does not specifically address credit risk beyond requiring the library to only invest in certain securities authorized by State Statute. 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.

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

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

**Custodial Credit Risk** For an investment, custodial 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 Fiscal Officer 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 Fiscal Officer or qualified trustee.”

**Concentration of Credit Risk** The Library’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, issue, industry, geographical area, or class of securities.

The following table includes the percentage of each investment type held by the Library at December 31, 2022:

Investment Issuer	Percentage of Investments
Negotiable CDs	39.64 %
Federal Home Loan Bank Note	7.93 %
STAR Ohio	52.16 %
U.S. Treasury Money Market	Less than 1 %
Total	100.00 %

**Note 5 – Grants in Aid, Property Taxes, and Tax Abatements**

**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 boundaries of the Ashland City School District. 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.

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

---

**Note 5 – Grants in Aid, Property Taxes, and Tax Abatements (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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2022, was \$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	\$535,142,250
Public Utility Personal Property	<u>96,894,420</u>
Total	<u><u>\$632,036,670</u></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.

***Tax Abatements***

The City of Ashland and Ashland City School District have entered into Community Redevelopment Area and Economic Zone agreements with various businesses for the abatement of property taxes to bring jobs and economic development into the City. Under the agreement, the companies' property taxes assessed to the various entities have been abated. During fiscal year 2022, the Library's property taxes were reduced by approximately \$92,060 as a result of these agreements.

**Note 6 – Interfund Transfers**

During 2022, the following transfers were made from the General Fund: \$150,000 to the Building Equipment & Repair Fund, and \$56,388 to the Bookmobile Fund. These transfers 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.

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

**Note 7 – Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Library obtained commercial insurance coverage as follows:

Type	Coverage
Property	\$4,144,000
Business Personal Property	500,000
General Liability, in aggregate	2,000,000
Crime	10,000
Employee Dishonesty	10,000
Inland Marine- Fine Arts	5,000
Valuable Paper and Records	2,217,792
Automobile Liability, per occurrence	500,000
Employee Benefit Liability	3,000,000
Employer's Liability Defense	1,000,000
Library's Professional Liability	100,000
Director's and Officer's Liability	5,000,000
Public Official's Bond	100,000
Cyber Insurance, in aggregate	1,000,000

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

The Library participates in the Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all cities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

**Note 8 – Defined Benefit Pension Plan**

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

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



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

**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):

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

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.

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.

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

**Note 8 – Defined Benefit Pension Plan (continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. 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:

	State and Local
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2022 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	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% for healthcare 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 \$102,689 for the traditional plan.

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

---

**Note 9 – Postemployment Benefits**

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, 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.

**Ashland Public Library**  
*Ashland 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. This is the maximum employer contribution rate 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.

**Note 10 – Leases**

The Library leases two copiers and a postage machine under non-cancellable leases. The Library disbursed \$5,821 to pay lease costs for the year ended December 31, 2022. The postage machine lease ended and was not renewed in 2022. The copier leases are for 60 months and 72 months, and expire in 2025 and 2029, respectively.

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

**Note 11 – 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 Library’s funds are presented below:

Fund Balances	General	Building Equipment & Repair	Bookmobile	Total
<b>Assigned to</b>				
Encumbrances	\$28,506			\$28,506
Assigned by Board Policy	433,432	\$540,868	41,895	1,016,195
<i>Total Assigned</i>	<u>461,938</u>	<u>540,868</u>	<u>41,895</u>	<u>1,044,701</u>
<b>Unassigned (Deficit)</b>	<u>2,399,077</u>	<u>-</u>	<u>-</u>	<u>2,399,077</u>
<i>Total Fund Balances</i>	<u>\$2,861,015</u>	<u>\$540,868</u>	<u>\$41,895</u>	<u>\$3,443,778</u>

**Note 12 – 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 continues. Although the Library did not receive COVID-19 funding during 2022, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. 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. In addition, the impact on the Library’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

This management's discussion and analysis of the Ashland Public Library's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2021, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

**Highlights**

Key highlights for 2021 are as follows:

- Net position of governmental activities increased \$388,157, or 13% from 2020.
- The Library's general receipts are primarily from property taxes and the State Public Library Fund (PLF). These receipts represent 96% of the total cash received during the year.

**Using the Basic Financial Statements**

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

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related receipts (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.

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

**Reporting the Library as a Whole**

The statement of net position and the statement of activities reflect how the Library did financially during 2021, within the limitations of the cash basis accounting. The statement of net position presents the cash balances of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational 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 changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other nonfinancial factors as well as the Library's property tax base and the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position and the statement of activities, the Library reports all services provided as Governmental Activities. Library and local government support finance most of these activities.

**Reporting the Library's Most Significant Funds**

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

*Governmental Funds* – All of the Library's activities are reported in Governmental Funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the General Fund, Building Equipment and Repair Fund, Bookmobile Fund, and the Building Renovation Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

**The Library as a Whole**

Table 1 provides a summary of the Library's net position for 2021 compared to 2020 on a cash basis:

(Table 1)

	Net Position Governmental Activities		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
<u>Assets</u>			
Cash & Cash Equivalents	<u>\$3,383,351</u>	<u>\$2,995,194</u>	<u>\$388,157</u>
Net Position Unrestricted	<u><u>\$3,383,351</u></u>	<u><u>\$2,995,194</u></u>	<u><u>\$388,157</u></u>

Table 2 reflects the changes in net position in 2021 and 2020 for governmental activities.



**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

(Table 2)

	Changes in Net Position Governmental Activities		
	2021	2020	Change
Receipts:			
Program Receipts:			
Charges for Service and Sales	\$13,255	\$19,854	(\$6,599)
Operating Grants and Contributions	8,836	9,392	(556)
Total Program Receipts	<u>\$22,091</u>	<u>29,246</u>	<u>(7,155)</u>
General Receipts:			
Property Taxes	470,044	474,881	(4,837)
Public Library	1,291,005	1,136,726	154,279
Intergovernmental	52,188	81,778	(29,590)
Unrestricted Gifts and Contributions	546	34,364	(33,818)
Earnings on Investments	2,331	14,884	(12,553)
Sale of Capital Assets	-	17	(17)
Total General Receipts	<u>1,816,114</u>	<u>1,742,650</u>	<u>73,464</u>
Total Receipts	<u>1,838,205</u>	<u>1,771,896</u>	<u>66,309</u>
Disbursements:			
Library Services			
Public Services and Programs	605,754	572,586	33,168
Collection Development and Processing	332,754	280,781	51,973
Support Services			
Facilities Operation and Management	148,372	120,150	28,222
Information Services	71,815	73,662	(1,847)
Business Administration	232,404	222,606	9,798
Capital Outlay	58,949	251,583	(192,634)
Total Disbursements	<u>1,450,048</u>	<u>1,521,368</u>	<u>(71,320)</u>
Change in Net Position	388,157	250,528	137,629
Net Position January 1	<u>2,995,194</u>	<u>2,744,666</u>	<u>250,528</u>
Net Position December 31	<u><u>\$3,383,351</u></u>	<u><u>\$2,995,194</u></u>	<u><u>\$388,157</u></u>

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

General receipts represent the majority of the Library's total receipts. Public Library Fund receipts accounted for 70.23% of the Library's total revenue in 2021. Property taxes, intergovernmental revenue, earnings on investments, and contributions and donations make up the balance of the Library's general receipts. The decrease in intergovernmental revenue and unrestricted gifts and contributions was a result of the CARES Act funding that was received during 2020. The decline in earnings on investments was due to the overall decline in interest rates that began during 2020 and continued in 2021 as a result of the Coronavirus Pandemic.

Disbursements for Public Services and Programs, Collection Development and Processing, Facilities Operation and Management, Information Services, Business Administration, and Capital Outlay represent the costs of running the Library. The overall decline in disbursements during 2021 was mostly due to the completion of the Library's HVAC replacement project in 2020. Disbursements for Public Services and Programs and Collection Development and Processing increased in 2021 as a result of the library resuming more normal operating hours and levels of programming in 2021. The library also increased the ordering of library materials during 2021, after scaling back during the uncertainty of the pandemic in 2020.

**Governmental Activities**

If you look at the Statement of Activities for the Library, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursements for Governmental Activities are for Library Services, which account for 65% of all Governmental disbursements in 2021. The next two columns of the Statement entitled Program Receipts identifies amounts paid by people who are directly charged for the service cash such as copier charges and library fines and fees or operating grants and contributions. The Net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local funds. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

**Table 3**

**Governmental Activities**

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
<b>Program Expenses:</b>				
<b>Library Services:</b>				
Public Services and Programs	\$ 605,754	\$ 589,488	\$ 572,586	\$ 564,461
Collection Development and Processing	332,754	331,479	280,781	280,216
<b>Support Services:</b>				
Facilities Operation and Maintenance	148,372	147,242	120,150	109,535
Information Systems	71,815	71,815	73,662	73,662
Business Administration	232,404	230,984	222,606	221,242
<b>Capital Outlay</b>	<b>58,949</b>	<b>56,949</b>	<b>251,583</b>	<b>243,006</b>
<b>Total</b>	<b>\$ 1,450,048</b>	<b>\$ 1,427,957</b>	<b>\$ 1,521,368</b>	<b>\$ 1,492,122</b>

**The Library's Funds**

Total Governmental Funds had receipts of \$1,838,205 and disbursements of \$1,450,048 in 2021. The increase in the fund balance of the General Fund was mostly due to an increase in Public Library Funds over the previous year. The Building Equipment and Repair fund balance increased due to the transfers from the General fund that were made in anticipation of future building improvement and maintenance projects.

**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.

During 2021, the Library amended its General Fund budget several times to reflect changing circumstances. Final actual receipts were \$73,836 more than final budgeted receipts due to additional revenue from the PLF.

Final disbursements, not including Transfers Out, in the General Fund for 2021 were budgeted at \$1,591,503, while actual disbursements were \$1,416,945. This variance was the result of the library spending less than anticipated throughout the year due to the circumstances of the Coronavirus Pandemic. In 2021, the Library kept spending below the budgeted amounts as demonstrated by the reported variances.

**Current Issues**

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. The Library relies heavily on local property taxes and Public Library Funding. The Library continues to closely monitor its budget and provide quality services to the community.

**Ashland Public Library**  
*Ashland County*  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*

**Contacting the Library's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Fiscal Officer, Ashland Public Library, 224 Claremont Avenue, Ashland, Ohio 44805.

**Ashland Public Library**  
*Statement of Net Position - Cash Basis*  
*December 31, 2021*

---

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,383,351</u>
<b>Net Position</b>	
Unrestricted	<u>\$3,383,351</u>

See accompanying notes to the basic financial statements

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

	Program Cash Receipts			Net (Disbursements) Receipts & Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
Library Services:				
Public Services and Programs	\$605,754	\$10,705	\$5,561	(\$589,488)
Collection Development and Processing	332,754		1,275	(331,479)
Support Services:				
Facilities Operation and Maintenance	148,372	1,130		(147,242)
Information Services	71,815			(71,815)
Business Administration	232,404	1,420		(230,984)
Capital Outlay	58,949		2,000	(56,949)
<i>Total Governmental Activities</i>	<u>\$1,450,048</u>	<u>13,255</u>	<u>8,836</u>	<u>(\$1,427,957)</u>
General Receipts:				
				470,044
				1,291,005
				52,188
				546
				2,331
				<i>Total General Receipts</i> 1,816,114
				388,157
				<i>Net Position Beginning of Year</i> 2,995,194
				<i>Net Position End of Year</i> \$3,383,351

See accompanying notes to the basic financial statements

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

	General	Building Equipment and Repair Fund	Bookmobile Fund	Building Renovation Fund	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 2,659,664	\$ 586,167	\$ 20,032	\$ 117,488	\$ 3,383,351
<i>Total Assets</i>	<u>2,659,664</u>	<u>586,167</u>	<u>20,032</u>	<u>117,488</u>	<u>3,383,351</u>
<b>Fund Balances</b>					
Committed	-	-	-	7,774	7,774
Assigned	574,527	586,167	20,032	109,714	1,290,440
Unassigned (Deficit)	2,085,137	-	-	-	2,085,137
<i>Total Fund Balances</i>	<u>\$ 2,659,664</u>	<u>\$ 586,167</u>	<u>\$ 20,032</u>	<u>\$ 117,488</u>	<u>\$ 3,383,351</u>

See accompanying notes to the basic financial statements

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

	General	Building Equipment and Repair Fund	Bookmobile Fund	Building Renovation Fund	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 470,044				\$ 470,044
Public Library	1,291,005				1,291,005
Intergovernmental	52,188				52,188
Patron Fines and Fees	10,705				10,705
Contributions, Gifts and Donations	9,382				9,382
Earnings on Investments	2,331				2,331
Miscellaneous	2,550				2,550
<i>Total Receipts</i>	<u>1,838,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,838,205</u>
<b>Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	605,754				605,754
Collection Development and Processing	332,754				332,754
Support Services:					
Facilities Operation and Maintenance	100,223	\$ 48,149			148,372
Information Services	71,815				71,815
Business Administration	232,404				232,404
Capital Outlay	35,403	17,580	\$ 295	\$ 5,671	58,949
<i>Total Disbursements</i>	<u>1,378,353</u>	<u>65,729</u>	<u>295</u>	<u>5,671</u>	<u>1,450,048</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	459,852	(65,729)	(295)	(5,671)	388,157
<b>Other Financing Sources (Uses)</b>					
Transfers In		250,000			250,000
Transfers Out	(250,000)				(250,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(250,000)</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	209,852	184,271	(295)	(5,671)	388,157
<i>Fund Balances Beginning of Year</i>	<u>2,449,812</u>	<u>401,896</u>	<u>20,327</u>	<u>123,159</u>	<u>2,995,194</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,659,664</u>	<u>\$ 586,167</u>	<u>\$ 20,032</u>	<u>\$ 117,488</u>	<u>\$ 3,383,351</u>

See accompanying notes to the basic financial statements



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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$ 480,237	\$ 455,201	\$ 470,044	\$ 14,843
Public Library	1,154,729	1,232,786	1,291,005	58,219
Intergovernmental	65,487	50,578	52,188	1,610
Patron Fines and Fees	4,550	10,600	10,705	105
Contributions, Gifts and Donations	1,000	8,438	6,916	(1,522)
Earnings on Investments	4,800	2,200	2,331	131
Miscellaneous	1,100	2,100	2,550	450
<i>Total Receipts</i>	1,711,903	1,761,903	1,835,739	73,836
<b>Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	721,796	631,819	606,523	25,296
Collection Development and Processing	373,780	396,560	354,701	41,859
Support Services:				
Facilities Operation and Maintenance	148,334	136,446	104,181	32,265
Information Services	93,443	91,088	71,958	19,130
Business Administration	308,675	282,585	234,867	47,718
Capital Outlay	45,475	53,005	44,715	8,290
<i>Total Disbursements</i>	1,691,503	1,591,503	1,416,945	174,558
<i>Excess of Receipts Over (Under) Disbursements</i>	20,400	170,400	418,794	248,394
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(100,000)	(250,000)	(250,000)	-
<i>Total Other Financing Sources (Uses)</i>	(100,000)	(250,000)	(250,000)	-
<i>Net Change in Fund Balance</i>	(79,600)	(79,600)	168,794	248,394
<i>Unencumbered Fund Balance Beginning of Year</i>	1,963,634	1,963,634	1,963,634	-
Prior Year Encumbrances Appropriated	22,652	22,652	22,652	-
<i>Unencumbered Fund Balance End of Year</i>	\$ 1,906,686	\$ 1,906,686	\$ 2,155,080	\$ 248,394

See accompanying notes to the basic financial statements

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

The Ashland Public Library (the Library) was organized as an association library in 1893, and later a school district public library in 1923 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Ashland City 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 Fiscal Officer.

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

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the Library is considered to be a related organization of the Ashland City School District.

***Related Organizations***

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

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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the 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 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 cash basis or draws from the Library's general receipts.

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

***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.

***Building, Equipment and Repair Fund*** The building equipment and repair fund accounts for and reports resources transferred from the general fund for the maintenance and repair of the Library's building and contents.

***Bookmobile Fund*** The bookmobile fund accounts for and reports resources transferred from the general fund for the purchase, maintenance and repair of Library bookmobile vehicles.

***Building Renovation Fund*** The building renovation fund accounts for funds accumulated to improve the appearance, functionality, and safety of the Library building and grounds during a period of renovation that started in 2016. The source of revenue for this fund was a portion of unrestricted proceeds received from the Inez A. Page and Nancy J. Stockwell estates, which were transfers from the general fund.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

***Basis of Accounting***

The Library's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

***Budgetary Process***

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

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the 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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

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

During 2021, the Library invested in nonnegotiable certificates of deposit, federal agency securities, a US Treasury money market fund, and STAR Ohio. Investments are reported at cost, except for the money market fund and STAR Ohio. The Library's money market fund investment is recorded at the amount reported by Fifth Third Securities on December 31, 2021.

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 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2021 was \$41,190.

***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. The library did not have any net cash assets restricted by enabling legislation at December 31, 2021.

***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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

***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.

***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.

***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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

***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 Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Library may also assign fund balance as a result when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

***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***

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

***Estimates***

The cash basis of accounting used by the Library requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as expenditures by program type which cannot be specifically designated to a single program); accordingly, actual results could differ from those estimates.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

**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 difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).
2. Budgetary receipts and disbursements of the special revenue fund, a legally budgeted separate special revenue fund, are reclassified to the general fund for cash basis reporting.

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis are as follows:

	<u>General</u>
Cash Basis	\$209,852
Encumbrances	(40,924)
Special revenue fund reclassified to the general fund	<u>(134)</u>
Budget Basis	<u><u>\$168,794</u></u>

**Note 4 – Deposits and Investments**

The Library’s investment policy was developed and implemented in accordance with Ohio Revised Code Section 135. 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.



**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
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. 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 \$180 in undeposited cash on hand which is included as part of "Cash" or "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

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

***Deposits with Financial Institutions***

At December 31, 2021, the carrying value of the Library’s deposits was \$140,814. As of December 31, 2021, the Library’s bank balance was \$159,516, all of which was covered by FDIC.

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 requires the total market value of the securities pledged to be 102 percent of the deposits being secured or at a rate set by the Treasurer of State. For 2021, the Library’s financial institution was approved for a 50% collateral rate through the OPCS.

***Investments***

The Library reports their investments at cost or net asset value per share. The fair value of these investments is not materially different from measurement value. As of December 31, 2021, the Library had the following investments:

Measurement Amount	Investment Maturities (in Years)		
	Less than 1	1-2	3-5
Negotiable CDs	\$1,250,000	\$503,000	\$747,000
FHLB	250,000		250,000
U.S. Treasury Money Market	147	\$147	
STAR Ohio	1,742,210	1,742,210	
Total Investments	\$3,242,357	\$1,742,357	\$997,000

***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, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

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

**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 Fiscal Officer, 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 Fiscal Officer or qualified trustee.”

**Credit Risk** The Federal Home Loan Bank security carries a rating of Aaa by Moody’s and AA+ by Standard and Poor’s. STAR Ohio carries a rating of AAAM by Standard and Poor’s. 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. The U.S. Treasury money market fund and negotiable CDs were not rated. The Library’s investment policy does not specifically address credit risk beyond requiring the Library to only invest in certain securities authorized by State Statute.

**Concentration of Credit Risk** The Library’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific maturity, issue, industry, geographical area, or class of securities.

The following table includes the percentage of each investment type held by the Library at December 31, 2021:

Investment Type	% of Total
Negotiable CDs	38.55 %
Federal Home Loan Bank	7.71 %
STAR Ohio	53.74 %
U.S. Treasury Money Market	<u>Less than 1 %</u>
Total	<u><u>100.00 %</u></u>

**Note 5 – Grants in Aid, Property Taxes, and Tax Abatements**

**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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 5 – Grants in Aid, Property Taxes, and Tax Abatements (continued)**

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2021, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$477,718,310
Public Utility Personal Property	<u>96,787,990</u>
Total	<u><u>\$574,506,300</u></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.

***Tax Abatements***

The City of Ashland and Ashland City School District have entered into Community Redevelopment Area and Economic Zone agreements with various businesses for the abatement of property taxes to bring jobs and economic development into the City. Under the agreement, the companies' property taxes assessed to the various entities have been abated. During fiscal year 2021, the Library's property taxes were reduced by approximately \$103,300 as a result of these agreements.

**Note 6 – Transfers**

During 2021, \$250,000 was transferred from the General Fund to the Building Equipment and Repair Fund. These transfers 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.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 7 – Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Library obtained commercial insurance coverage as follows:

Company	Type of Coverage	Coverage
Cincinnati Insurance	Property	\$4,144,000
	Business Personal Property	500,000
	General Liability, in aggregate	2,000,000
	Crime	10,000
	Employee Dishonesty	10,000
	Inland Marine - Fine Arts	5,000
	Valuable Paper and Records	2,217,792
	Automobile Liability, per occurrence	500,000
	Employee Benefit Liability	3,000,000
	Employer's Liability Defense	1,000,000
	Library Professional Liability	1,000,000
	Director's and Officer's Liability	3,000,000
	Public Official's Bond	100,000
At-Bay	Cyber Insurance, in aggregate	1,000,000

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

The Library participates in a Group Rating Plan (GRP) for worker’s compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating entities is calculated as one experience and a common premium is applied to all cities in the GRP. Each participant pays its workers’ compensation premium to the state based on the rate for all cities in the GRP rather than its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the “Equity Pooling Fund.” This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley Uniservice, Inc. provides administrative, cost control and actuarial services to the GRP.

**Note 8 – Defined Benefit Pension Plan**

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

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

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**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):

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

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 initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 8 – Defined Benefit Pension Plan (continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), 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.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
<b>2021 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2021 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	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 2021, the Library’s contractually required contribution was \$96,199 for the traditional plan.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

**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 postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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 will discontinue 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.



**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 9 – Postemployment Benefits (continued)**

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become 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 will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2021, 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 2021 was 4.0 percent.

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 10 – Leases**

The Library leases copiers and other equipment under non-cancellable leases. The Library disbursed \$6,208 to pay lease costs for the year ended December 31, 2021. Future lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$5,419
2023	2,762
2024	2,762
2025	1,841
Total	<u>\$12,784</u>

**Note 11 – Construction and Contractual Commitments**

The Library began a renovation of the library’s buildings and grounds in 2016. The project was expanded in 2019 to include the replacement of the building’s HVAC system. As of December 31, 2021, the Library had \$109,714 of unencumbered funds that can be used towards projects included within the scope of the building and grounds renovation.

**Note 12 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Building Equipment &amp; Repair</u>	<u>Bookmobile</u>	<u>Building Renovation</u>	<u>Total</u>
<b>Committed to</b>					
Construction Projects				\$ 7,774	\$ 7,774
<b>Assigned to</b>					
2022 Appropriations	\$ 69,942				69,942
Encumbrances	44,424	\$ 4,996			49,420
Assigned by Board Policy	460,161	581,171	\$ 20,032	109,714	1,171,078
<i>Total Assigned</i>	<u>574,527</u>	<u>586,167</u>	<u>20,032</u>	<u>109,714</u>	<u>1,290,440</u>
<b>Unassigned (Deficit)</b>	<u>2,085,137</u>				<u>2,085,137</u>
<i>Total Fund Balances</i>	<u>\$2,659,664</u>	<u>\$586,167</u>	<u>\$20,032</u>	<u>\$117,488</u>	<u>\$3,383,351</u>

**Ashland Public Library**  
*Ashland County*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 13 – 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 continues. Although the Library did not receive COVID-19 funding during 2021, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. 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. In addition, the impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

Ashland Public Library  
Ashland County  
208 Lincoln Way East  
Ashland, Ohio 44646

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Ashland Public Library, Ashland County (the Library) as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 5, 2023.

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

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

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

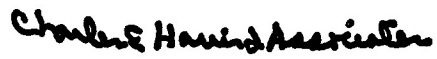
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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

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

***Purpose of This Report***

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



*Charles E. Harris & Associates, Inc.*  
June 5, 2023

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**ASHLAND PUBLIC LIBRARY**

**ASHLAND 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 8/3/2023**

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

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