



OHIO AUDITOR OF STATE
KEITH FABER



**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Prepared by Management:	
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2022	5
Statement of Activities – Cash Basis – For the Year Ended December 31, 2022	6
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis	
Governmental Funds – December 31, 2022.....	7
Statement of Receipts, Disbursements and	
Changes in Fund Balances - Cash Basis – Governmental Funds –	
For the Year Ended December 31, 2022	8
Statement of Receipts, Disbursements and Changes	
in Fund Balance – Budget and Actual – Budget Basis- General Fund-	
For the Year Ended December 31, 2022	9
Statement of Fund Net Position - Cash Basis	
Proprietary Funds- December 31, 2022.....	10
Statement of Receipts, Disbursements and	
Changes in Fund Net Position - Cash Basis – Proprietary Funds –	
For the Year Ended December 31, 2022	11
Notes to the Basic Financial Statements	
For the Year Ended December 31, 2022	13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2021	27
Statement of Activities – Cash Basis – For the Year Ended December 31, 2021	28
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis	
Governmental Funds – December 31, 2021.....	29
Statement of Receipts, Disbursements and	
Changes in Fund Balances - Cash Basis – Governmental Funds –	
For the Year Ended December 31, 2021	30
Statement of Receipts, Disbursements and Changes	
in Fund Balance – Budget and Actual – Budget Basis- General Fund-	
For the Year Ended December 31, 2021	31

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS (Continued)

TITLE	PAGE
Statement of Fund Net Position - Cash Basis Proprietary Funds - December 31, 2021	32
Statement of Receipts, Disbursements and Changes in Fund Net Position- Cash Basis – Proprietary Funds – For the Year Ended December 31, 2021	33
Notes to the Basic Financial Statements For the Year Ended December 31, 2021	35
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	49
Schedule of Findings.....	51



INDEPENDENT AUDITOR'S REPORT

Bellaire Public Library
Belmont County
330 32nd Street
Bellaire, 43906

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bellaire Public Library, Belmont 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, business-type 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 opinions.

Emphasis of Matter - Accounting Basis

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

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



Keith Faber
Auditor of State
Columbus, Ohio

October 20, 2023

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BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Net Position - Cash Basis
December 31, 2022

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,145,697	\$5,608	\$1,151,305
<i>Total Assets</i>	<u>\$1,145,697</u>	<u>\$5,608</u>	<u>\$1,151,305</u>
Net Position			
Restricted for:			
Other Purposes	75,273	0	75,273
Unrestricted	1,070,424	5,608	1,076,032
<i>Total Net Position</i>	<u>\$1,145,697</u>	<u>\$5,608</u>	<u>\$1,151,305</u>

See accompanying notes to the basic financial statements

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY**
*Statement of Activities - Cash Basis
For the Year Ended December 31, 2022*

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Governmental Activities	Business- Type Activities	Total
Governmental Activities					
Current:					
Library Services:	\$0	\$4,355	\$4,355	\$0	\$4,355
Public Services and Programs	268,078	0	(268,078)	0	(268,078)
Collection Development and Processing	51,662	0	(51,662)	0	(51,662)
Support Services:					
Facilities Operation and Maintenance	92,664	0	(92,664)	0	(92,664)
Information Services	11,876	0	(11,876)	0	(11,876)
Business Administration	28,153	0	(28,153)	0	(28,153)
Capital Outlay	21,368	0	(21,368)	0	(21,368)
<i>Total Governmental Activities</i>	<u>473,801</u>	<u>4,355</u>	<u>(469,446)</u>	<u>0</u>	<u>(469,446)</u>
Business-Type Activities					
Building Rent Fund	3,235	5,956	0	2,721	2,721
<i>Total Business-Type Activities</i>	<u>3,235</u>	<u>5,956</u>	<u>0</u>	<u>2,721</u>	<u>2,721</u>
<i>Total Primary Government</i>	<u>\$477,036</u>	<u>\$10,311</u>	<u>(469,446)</u>	<u>2,721</u>	<u>(466,725)</u>
General Receipts:					
Unrestricted Gifts and Contributions			855	0	855
Grants not Restricted to Specific Programs			561,588	0	561,588
Earnings on Investments			2,650	10	2,660
Miscellaneous			46,183	0	46,183
<i>Total General Receipts</i>			<u>611,276</u>	<u>10</u>	<u>611,286</u>
Change in Net Position			141,830	2,731	144,561
<i>Net Position Beginning of Year</i>			<u>1,003,867</u>	<u>2,877</u>	<u>1,006,744</u>
<i>Net Position End of Year</i>			<u>\$1,145,697</u>	<u>\$5,608</u>	<u>\$1,151,305</u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,070,424	\$75,273	\$1,145,697
<i>Total Assets</i>	<u>\$1,070,424</u>	<u>\$75,273</u>	<u>\$1,145,697</u>
Fund Balances			
Restricted	\$0	\$75,273	\$75,273
Assigned	204,154	0	204,154
Unassigned (Deficit)	866,270	0	866,270
<i>Total Fund Balances</i>	<u>\$1,070,424</u>	<u>\$75,273</u>	<u>\$1,145,697</u>

See accompanying notes to the basic financial statements

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds*

For the Year Ended December 31, 2022

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Public Library	\$561,588	\$0	\$561,588
Patron Fines and Fees	4,355	0	4,355
Contributions, Gifts and Donations	0	855	855
Earnings on Investments	2,513	137	2,650
Miscellaneous	46,183	0	46,183
<i>Total Receipts</i>	<u>614,639</u>	<u>992</u>	<u>615,631</u>
Disbursements			
Current:			
Library Services:			0
Public Services and Programs	268,078	0	268,078
Collection Development and Processing	51,251	411	51,662
Support Services:			
Facilities Operation and Maintenance	92,664	0	92,664
Information Services	11,876	0	11,876
Business Administration	28,153	0	28,153
Capital Outlay	19,961	1,407	21,368
<i>Total Disbursements</i>	<u>471,983</u>	<u>1,818</u>	<u>473,801</u>
<i>Net Change in Fund Balances</i>	142,656	(826)	141,830
<i>Fund Balances Beginning of Year</i>	<u>927,768</u>	<u>76,099</u>	<u>1,003,867</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,070,424</u></u>	<u><u>\$75,273</u></u>	<u><u>\$1,145,697</u></u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$440,115	\$440,115	\$561,588	\$121,473
Patron Fines and Fees	5,434	5,434	4,355	(1,079)
Earnings on Investments	11,003	11,003	2,513	(8,490)
Miscellaneous	0	0	46,183	46,183
<i>Total Receipts</i>	<u>456,552</u>	<u>456,552</u>	<u>614,639</u>	<u>158,087</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	469,377	469,377	272,423	196,954
Collection Development and Processing	104,411	104,411	52,180	52,231
Support Services:				
Facilities Operation and Maintenance	139,200	139,200	92,664	46,536
Information Services	12,000	12,000	11,876	124
Business Administration	50,300	50,300	28,153	22,147
Capital Outlay	27,500	27,500	19,961	7,539
<i>Total Disbursements</i>	<u>802,788</u>	<u>802,788</u>	<u>477,257</u>	<u>325,531</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(346,236)</u>	<u>(346,236)</u>	<u>137,382</u>	<u>483,618</u>
Other Financing Sources (Uses)				
Other Financing Sources	35,000	35,000	0	(35,000)
Other Financing Uses	(10,100)	(10,100)	0	10,100
<i>Total Other Financing Sources (Uses)</i>	<u>24,900</u>	<u>24,900</u>	<u>0</u>	<u>(24,900)</u>
<i>Net Change in Fund Balance</i>	<u>(321,336)</u>	<u>(321,336)</u>	<u>137,382</u>	<u>458,718</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	924,179	924,179	924,179	0
Prior Year Encumbrances Appropriated	3,590	3,590	3,590	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$606,433</u>	<u>\$606,433</u>	<u>\$1,065,151</u>	<u>\$458,718</u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2022

	Business-Type Activities
	Other
	Enterprise Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,608
<i>Total Assets</i>	\$5,608
 Net Position	
Unrestricted	\$5,608
<i>Total Net Position</i>	\$5,608

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Receipts, Disbursements and
Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2022

	Business-Type Activities
	Other
	Enterprise Funds
Operating Receipts	
Miscellaneous	\$5,956
<i>Total Operating Receipts</i>	<i>5,956</i>
Operating Disbursements	
Purchased and Contracted Services	3,000
Other	235
<i>Total Operating Disbursements</i>	<i>3,235</i>
<i>Operating Income (Loss)</i>	<i>2,721</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	10
<i>Total Non-Operating Receipts</i> <i>(Disbursements)</i>	<i>10</i>
<i>Change in Net Position</i>	<i>2,731</i>
<i>Net Position Beginning of Year</i>	<i>2,877</i>
<i>Net Position End of Year</i>	<i>\$5,608</i>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the Library and Reporting Entity

The Bellaire Public Library (the Library) was organized as a school district public library in Bellaire, Ohio under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Bellaire 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 Ohio School District.

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

The Friends of the Bellaire 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 Mellott Trust 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.

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the library. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances of the governmental and business-type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental and business-type 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 or business-type activity 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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

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. The Library's funds are divided into two categories, governmental and proprietary.

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.

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

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

Proprietary Funds The Library classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Library's major enterprise funds:

Building Rent Fund The Building Rent Fund charges for rental of the Activity and Table Rooms. The revenue is used for the cost of this service and maintenance of the room.

Basis of Accounting

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

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 character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees

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

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

Cash and Cash Equivalents

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2022, the Library invested in nonnegotiable certificates of deposit. Investments are reported at cost, except for the money market account. The Library's money market account investment is recorded at the amount reported by *United Bank* on December 31, 2022.

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 was \$2,513.

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

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

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

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Bellaire Public Library
Belmont 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 restricted, committed or assigned fund balance (cash basis).

Note 4 – Deposits and Investments

State statutes classify monies held by the Library into three categories.

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

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

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

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

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

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

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

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer 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 \$155 in undeposited cash on hand which is included as part of "Cash" on the financial statements.

Deposits

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.

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

Note 5 – Grants in Aid

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.

Note 6 – Risk Management

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

Company	Type of Coverage	Coverage
State Farm Fire and Casualty	Business Personal Property	\$2,000,000
	Business Liability	2,000,000
State Farm Specialty Products Steele Insurance Associates/	Liability including Employment	3,000,000
	Library Officials	20,000

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 Ohio Library Council 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. Sedgwick provides administrative, cost control and actuarial services to the GRP.

The Library contracts health insurance for management and full-time employees. The employees are responsible for 10% of the premium if they choose to have health insurance through the Library.

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

Note 7 – Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent.

For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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:

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
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 retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by law.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- **** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2022, the Library's contractually required contribution was \$28,003.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit 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.

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

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.

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.

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

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.

These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library had no contractually required contribution to health care for the year 2021.

Note 9 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
Restricted for			
Other	\$0	\$75,273	\$75,273
Assigned to			
Future Appropriations	198,882	0	198,882
Outstanding Encumbrances	5,272	0	5,272
<i>Total Assigned</i>	204,154	0	204,154
Unassigned	866,270	0	866,270
<i>Total Fund Balances</i>	<u>\$1,070,424</u>	<u>\$75,273</u>	<u>\$1,145,697</u>

Note 10 – COVID-19

During 2022, the Library did not receive COVID-19 funding. 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. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Net Position - Cash Basis
December 31, 2021

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$1,003,867</u>	<u>\$2,877</u>	<u>\$1,006,744</u>
<i>Total Assets</i>	<u><u>\$1,003,867</u></u>	<u><u>\$2,877</u></u>	<u><u>\$1,006,744</u></u>
Net Position			
Restricted for:			
Other Purposes	76,099	0	76,099
Unrestricted	<u>927,768</u>	<u>2,877</u>	<u>930,645</u>
<i>Total Net Position</i>	<u><u>\$1,003,867</u></u>	<u><u>\$2,877</u></u>	<u><u>\$1,006,744</u></u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services and Sales	Governmental Activities	Business- Type Activities	Total
Governmental Activities					
Current:					
Library Services:	\$0	\$4,685	\$4,685	\$0	\$4,685
Public Services and Programs	240,727	0	(240,727)	0	(240,727)
Collection Development and Processing	50,554	0	(50,554)	0	(50,554)
Support Services:					
Facilities Operation and Maintenance	88,730	0	(88,730)	0	(88,730)
Information Services	6,995	0	(6,995)	0	(6,995)
Business Administration	27,583	0	(27,583)	0	(27,583)
Capital Outlay	215	0	(215)	0	(215)
<i>Total Governmental Activities</i>	<u>414,804</u>	<u>4,685</u>	<u>(410,119)</u>	<u>0</u>	<u>(410,119)</u>
Business-Type Activates					
Building Rent Fund	0	2,875	0	2,875	2,875
<i>Total Business-Type Activities</i>	<u>0</u>	<u>2,875</u>	<u>0</u>	<u>2,875</u>	<u>2,875</u>
<i>Total Primary Government</i>	<u>\$414,804</u>	<u>\$7,560</u>	<u>(410,119)</u>	<u>2,875</u>	<u>(407,244)</u>
General Receipts:					
Unrestricted Gifts and Contributions			772	0	772
Grants not Restricted to Specific Programs			519,130	0	519,130
Earnings on Investments			12,899	2	12,901
Miscellaneous			31,225	0	31,225
<i>Total General Receipts</i>			<u>564,026</u>	<u>2</u>	<u>564,028</u>
Change in Net Position			153,907	2,877	156,784
<i>Net Position Beginning of Year</i>			<u>849,960</u>	<u>0</u>	<u>849,960</u>
<i>Net Position End of Year</i>			<u>\$1,003,867</u>	<u>\$2,877</u>	<u>\$1,006,744</u>

See accompanying notes to the basic financial statements

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY**

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

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$927,768</u>	<u>\$76,099</u>	<u>\$1,003,867</u>
<i>Total Assets</i>	<u><u>\$927,768</u></u>	<u><u>\$76,099</u></u>	<u><u>\$1,003,867</u></u>
Fund Balances			
Restricted	\$0	\$76,099	\$76,099
Assigned	319,728	0	319,728
Unassigned (Deficit)	<u>608,040</u>	<u>0</u>	<u>608,040</u>
<i>Total Fund Balances</i>	<u><u>\$927,768</u></u>	<u><u>\$76,099</u></u>	<u><u>\$1,003,867</u></u>

See accompanying notes to the basic financial statements

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY**

*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds*

For the Year Ended December 31, 2021

	General	Other Governmental Funds	Total Governmental Funds
Receipts			
Public Library	\$519,130	\$0	\$519,130
Patron Fines and Fees	4,685	0	4,685
Contributions, Gifts and Donations	0	772	772
Earnings on Investments	12,327	572	12,899
Miscellaneous	31,225	0	31,225
<i>Total Receipts</i>	<u>567,367</u>	<u>1,344</u>	<u>568,711</u>
Disbursements			
Current:			
Library Services:			0
Public Services and Programs	240,727	0	240,727
Collection Development and Processing	50,169	385	50,554
Support Services:			
Facilities Operation and Maintenance	88,730	0	88,730
Information Services	6,995	0	6,995
Business Administration	27,583	0	27,583
Capital Outlay	0	215	215
<i>Total Disbursements</i>	<u>414,204</u>	<u>600</u>	<u>414,804</u>
<i>Net Change in Fund Balances</i>	153,163	744	153,907
<i>Fund Balances Beginning of Year</i>	<u>774,605</u>	<u>75,355</u>	<u>849,960</u>
<i>Fund Balances End of Year</i>	<u><u>\$927,768</u></u>	<u><u>\$76,099</u></u>	<u><u>\$1,003,867</u></u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
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		
Receipts				
Public Library	\$440,661	\$440,661	\$519,130	\$78,469
Intergovernmental	0	0	0	0
Patron Fines and Fees	6,645	6,645	4,685	(1,960)
Earnings on Investments	8,244	8,244	12,327	4,083
Miscellaneous	878	878	31,225	30,347
<i>Total Receipts</i>	<u>456,428</u>	<u>456,428</u>	<u>567,367</u>	<u>110,939</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	470,460	470,460	243,303	227,157
Collection Development and Processing	101,799	101,799	51,182	50,617
Support Services:		0	0	
Facilities Operation and Maintenance	139,200	139,200	88,730	50,470
Information Services	12,000	12,000	6,995	5,005
Business Administration	50,300	50,300	27,583	22,717
Capital Outlay	27,500	27,500	0	27,500
<i>Total Disbursements</i>	<u>801,259</u>	<u>801,259</u>	<u>417,793</u>	<u>383,466</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(344,831)</u>	<u>(344,831)</u>	<u>149,574</u>	<u>494,405</u>
Other Financing Sources (Uses)				
Other Financing Uses	(10,100)	(10,100)	0	10,100
<i>Total Other Financing Sources (Uses)</i>	<u>(10,100)</u>	<u>(10,100)</u>	<u>0</u>	<u>10,100</u>
<i>Net Change in Fund Balance</i>	(354,931)	(354,931)	149,574	504,505
<i>Unencumbered Fund Balance Beginning of Year</i>	769,545	769,545	769,545	0
Prior Year Encumbrances Appropriated	5,060	5,060	5,060	0
<i>Unencumbered Fund Balance End of Year</i>	<u>\$419,674</u>	<u>\$419,674</u>	<u>\$924,179</u>	<u>\$504,505</u>

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Fund Net Position - Cash Basis
Proprietary Funds
December 31, 2021

	Business-Type Activities
	Other
	Enterprise Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,877
<i>Total Assets</i>	\$2,877
 Net Position	
Unrestricted	\$2,877
<i>Total Net Position</i>	\$2,877

See accompanying notes to the basic financial statements

BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY
Statement of Receipts, Disbursements and
Changes in Fund Net Position - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities Other Enterprise Funds
Operating Receipts	
Miscellaneous	\$2,875
<i>Total Operating Receipts</i>	<i>2,875</i>
Non-Operating Receipts (Disbursements)	
Earnings on Investments	2
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>2</i>
<i>Change in Net Position</i>	<i>2,877</i>
<i>Net Position Beginning of Year</i>	<i>0</i>
<i>Net Position End of Year</i>	<i>\$2,877</i>

See accompanying notes to the basic financial statements

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

Note 1 – Description of the Library and Reporting Entity

The Bellaire Public Library (the Library) was organized as a school district public library in Bellaire, Ohio under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Bellaire 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 Ohio School District.

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

The Friends of the Bellaire 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 Mellott Trust 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.

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the library. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the cash and investment balances, of the governmental and business-type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental and business-type 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 or business-type activity 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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

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. The Library's funds are divided into two categories, governmental, and proprietary.

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.

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

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

Proprietary Funds The Library classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Library's major enterprise funds:

Building Rent Fund The Building Rent Fund charges for rental of the Activity and Table Rooms. The revenue is used for the cost of this service.

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

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 character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer.

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

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

Cash and Cash Equivalents

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

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

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

During 2021, the Library invested in nonnegotiable certificates of deposit and a savings account. Investments are reported at cost. The Library's money investment is recorded at the amount reported by *Belmont Savings and United Bank* on December 31, 2021.

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 \$12,327.

Restricted Assets

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

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused vacation leave. Unpaid vacation 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 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

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

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Bellaire Public Library
Belmont 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 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 restricted, committed or assigned fund balance (cash basis).

Note 4 – Deposits and Investments

State statutes classify monies held by the Library into three categories.

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

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

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

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

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

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

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

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

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

Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer 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 \$155 in undeposited cash on hand which is included as part of "Cash" on the financial statements.

Deposits

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.

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

Note 5 – 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.

Note 6 – Risk Management

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

Company	Type of Coverage	Coverage
State Farm Fire and Casualty	Business Personal Property	\$2,000,000
	Business Liability	2,000,000
State Farm Specialty Products	Liability including Employment	3,000,000
Steele Insurance Associates/	Library Officials	20,000

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 Ohio Library Council 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. Sedgwick provides administrative, cost control and actuarial services to the GRP.

The Library contracts health insurance for management and full-time employees. The employees are responsible for 10% of the premium if they choose to have health insurance through the Library.

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

Note 7 – 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.

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

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

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

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

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

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.

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.

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
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 retirement allowance.

**** These pension and employer health care rates are for the traditional. The employer contributions rate for the member-directed plan is all 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 \$22,737.

Note 8 – Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans.

Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible

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

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.

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.

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

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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library had no contractually required contribution to health care for the year 2021.

Note 9 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
Restricted for			
Other	\$0	\$76,099	\$76,099
Assigned to			
Future Appropriations	316,138	0	316,138
Outstanding Encumbrances	3,590	0	3,590
<i>Total Assigned</i>	<u>319,728</u>	<u>0</u>	<u>319,728</u>
Unassigned	608,040	0	608,040
<i>Total Fund Balances</i>	<u>\$927,768</u>	<u>\$76,099</u>	<u>\$1,003,867</u>

Note 10 – 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. During 2021, the Library did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

Bellaire Public Library
Belmont County
330 32nd Street
Bellaire, Ohio 43906

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bellaire Public Library, Belmont 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 and have issued our report thereon dated October 20, 2023, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a significant deficiency.

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*.

Library's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the finding identified in our audit and described in the accompanying Schedule of Findings. The Library's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

October 20, 2023

**BELLAIRE PUBLIC LIBRARY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2022-001

Significant Deficiency

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Governmental Accounting Standards Board Statement (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The assigned fund balance definition addresses the government's intent. When an appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. Further, issuing a purchase order assigns the amount of the purchase order to a specific purpose; thus, the outstanding encumbrance amount is included in assigned fund balance, unless the purchase order relates to restricted or committed resources.

During 2022 and 2021, the Library classified \$204,154 and \$319,728, respectively, as Unassigned fund balance rather than Assigned fund balance in the General Fund. We also noted the Library improperly classified \$5,956 and \$2,875 in 2022 and 2021, respectively, as Non-Operating Miscellaneous Receipts rather than Operating Miscellaneous Receipts within the Building Rent Enterprise Fund.

The reclassifications above were agreed to by Library management and are reflected in the accompanying financial statements.

Failure to properly report financial activity could result in material misstatements occurring and remaining undetected and fail to provide management with an accurate picture of the Board's financial position and operations.

The Fiscal Officer should review Uniform Accounting Network Accounting and General Manual, GASB 54, and Auditor of State Bulletin 2011-04 to ensure proper classification of fund balances and receipts.

Officials' Response: The Bellaire Public Library recognizes the issues determined by the audit and will take the necessary actions to correct the accounting in the future.

OHIO AUDITOR OF STATE KEITH FABER



BELLAIRE PUBLIC LIBRARY

BELMONT 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 11/21/2023

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