

Mentor Public Library
Lake County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2025

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$3,185,643	\$0	\$0	\$3,185,643
Public Library	2,274,281	0	0	2,274,281
Intergovernmental	506,439	12,123	0	518,562
Patron Fines and Fees	89,564	0	0	89,564
Contributions, Gifts and Donations	4,722	8,000	11,000	23,722
Earnings on Investments	534,561	0	0	534,561
Miscellaneous	13,576	0	0	13,576
<i>Total Cash Receipts</i>	<u>6,608,786</u>	<u>20,123</u>	<u>11,000</u>	<u>6,639,909</u>
Cash Disbursements				
Current:				
Library Services:				
Public Services and Programs	2,298,802	17,123	0	2,315,925
Collection Development and Processing	1,412,435	0	0	1,412,435
Support Services:				
Facilities Operation and Maintenance	507,035	0	0	507,035
Information Services	229,416	0	0	229,416
Business Administration	882,201	0	0	882,201
Capital Outlay	0	2,500	550,784	553,284
<i>Total Cash Disbursements</i>	<u>5,329,889</u>	<u>19,623</u>	<u>550,784</u>	<u>5,900,296</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,278,897</u>	<u>500</u>	<u>(539,784)</u>	<u>739,613</u>
Other Financing Receipts (Disbursements)				
Transfers In		0	945,000	945,000
Transfers Out	(945,000)	0	0	(945,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(945,000)</u>	<u>0</u>	<u>945,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	333,897	500	405,216	739,613
<i>Fund Cash Balances, January 1</i>	<u>5,683,261</u>	<u>0</u>	<u>6,280,494</u>	<u>11,963,755</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$6,017,158</u></u>	<u><u>\$500</u></u>	<u><u>\$6,685,710</u></u>	<u><u>\$12,703,368</u></u>

See accompanying notes to the basic financial statements



Mentor Public Library
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Notes to the Financial Statements
For the Year Ended December 31, 2025

Note 1 – Reporting Entity

The Mentor Public Library (the Library), Lake County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Mentor Exempted Village School District appoints a 7-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

Basis of Presentation

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

Fund Accounting

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

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

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

LSTA Grant(s) This fund is used to account for Library Services and Technology Act (LSTA) grants in Ohio, administered by the State Library of Ohio, which are federal funds from the Institute of Museum and Library Services used to support innovative, new, or specialized library projects.

PLA Grants(s) This fund is used to account for Public Library Association (PLA) grants offered to support library professionals and programs.

Miscellaneous Grant(s) This fund is used to account for funds distributed by local entities, typically for a specific project or program.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Funds transferred to the Capital Project Funds are determined by the Board as assigned for purposes of building or technology. The Library had the following significant capital project funds:

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Building and Repair Fund This fund is used to repair, improve, furnish, and equip the Library.

Technology Fund This fund is used to repair, improve, furnish, and equip the technological aspects of the Library.

Basis of Accounting

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

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

Budgetary Process

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library values certificates of deposit at cost.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

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Leases and SBITAs

The Library is the lessee in various leases related to buildings and other equipment under noncancelable leases. Lease disbursements are recognized when they are received/paid.

The Library has entered into non-cancelable Subscription-Based Information Technology Arrangements (SBITA) contracts for types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

Fund Balance

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

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

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

Committed The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Note 3 – Budgetary Activity

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For the Year Ended December 31, 2025

Budgetary activity for the year ending December 31, 2025, follows:

2025 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,700,000	\$6,783,787	\$83,787
Special Revenue Funds	20,123	20,123	0
Capital Projects	900,000	956,000	56,000

2025 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,140,036	\$6,730,689	\$409,347
Special Revenue Funds	\$20,123	\$19,623	500
Capital Projects	5,477,188	5,287,694	189,494

Note 4 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. The Library also has segregated accounts, which includes a clearing account that is not part of this pool. A summary of the Library's deposit and investment accounts are as follows:

	<u>2025</u>
<i>Cash Management Pool:</i>	
Cash on hand	\$1,240
Demand deposits	10,387
Certificates of deposit	7,807,000
Other time deposits (savings and NOW accounts)	490,802
Total deposits	8,309,429
STAR Ohio	
Total investments	4,393,939
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$12,703,368
<i>Segregated Accounts - Not held in the Pool:</i>	
Payroll Clearing Account (Not held in the Pool)	\$0
<i>Total Outside Accounts</i>	\$0

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The Library has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflects gross payroll. The balance in the Library's payroll clearing account represents unremitted employee payroll withholdings but has a zero balance at year end.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation collateralized by securities specifically pledged by the financial institution to the Library or; collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. The Library's financial institution participates in the Ohio Pooled Collateral System and was approved for a reduced floor of 50% in the uninsured and uncollateralized balance.

Investments

The certificates of deposit are held/safe kept at a third-party institution. The financial institution maintains records identifying the Library as owner of these certificates.

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

Note 5 – Grants in Aid and Taxes

Grants in Aid

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

Property Taxes

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

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

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Note 6 – Interfund Transfers and Advances

Transfers

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The general fund transfers to the other governmental funds were made to provide additional resources for current operations and capital improvements.

Advances

On December 31, 2025, there were no outstanding advances.

Note 7 – Risk Management

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

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- Directors & Officers

The Library also provides health insurance coverage through the Mentor Exempted Village School District.

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries for the year 2025. The Library has paid all contributions required through December 31, 2025.

Note 9 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a

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health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expense such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2025, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the legacy combined plan. For 2025, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 10 – Contingent Liabilities

Management believes there are no pending claims or lawsuits.

Note 11 – Construction and Contractual Commitments

As of December 31, 2025, the Library was under contract with a construction company to complete a Master Plan for its Main Branch to include an outdoor space, additional parking, and an addition to the building. The contract was encumbered at year end in the Library’s Building Fund.

Note 12 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$280,800	\$4,735,034	\$1,875	\$5,017,709

The fund balance of special revenue funds is either restricted or committed. The fund balance of capital projects funds is restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

