

OHIOANA LIBRARY ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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OHIOANA LIBRARY ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ohioana Library Association
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of Ohioana Library Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohioana Library Association as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Ohioana Library Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Ohioana Library Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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

**INDEPENDENT AUDITOR'S REPORT
(Continued)**

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 generally accepted 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 Ohioana Library Association'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 Ohioana Library Association'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.

Columbus, Ohio
XXX, 2024

**OHIOANA LIBRARY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets						
Cash	\$ 46,982	\$ -	\$ 46,982	\$ 65,740	\$ -	\$ 65,740
Total Current Assets	<u>46,982</u>	<u>-</u>	<u>46,982</u>	<u>65,740</u>	<u>-</u>	<u>65,740</u>
Other Assets						
Beneficial Interest in Assets Held by Others	1,067,980	293,597	1,361,577	704,422	263,782	968,204
Non-Current Assets						
Property and Equipment, Net	<u>25,701</u>	<u>-</u>	<u>25,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Current Assets	<u>1,093,681</u>	<u>293,597</u>	<u>1,387,278</u>	<u>704,422</u>	<u>263,782</u>	<u>968,204</u>
TOTAL ASSETS	<u><u>\$ 1,140,663</u></u>	<u><u>\$ 293,597</u></u>	<u><u>\$ 1,434,260</u></u>	<u><u>\$ 770,162</u></u>	<u><u>\$ 263,782</u></u>	<u><u>\$ 1,033,944</u></u>
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 1,075	\$ -	\$ 1,075	\$ 4,500	\$ -	\$ 4,500
Accrued Expenses	<u>200</u>	<u>-</u>	<u>200</u>	<u>209</u>	<u>-</u>	<u>209</u>
Total Current Liabilities	<u>1,275</u>	<u>-</u>	<u>1,275</u>	<u>4,709</u>	<u>-</u>	<u>4,709</u>
Total Liabilities	<u>1,275</u>	<u>-</u>	<u>1,275</u>	<u>4,709</u>	<u>-</u>	<u>4,709</u>
NET ASSETS						
Net Assets	<u>1,139,388</u>	<u>293,597</u>	<u>1,432,985</u>	<u>765,453</u>	<u>263,782</u>	<u>1,029,235</u>
Total Net Assets	<u>1,139,388</u>	<u>293,597</u>	<u>1,432,985</u>	<u>765,453</u>	<u>263,782</u>	<u>1,029,235</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,140,663</u></u>	<u><u>\$ 293,597</u></u>	<u><u>\$ 1,434,260</u></u>	<u><u>\$ 770,162</u></u>	<u><u>\$ 263,782</u></u>	<u><u>\$ 1,033,944</u></u>

See Accompanying Notes to the Financial Statements

**OHIOANA LIBRARY ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES						
State of Ohio Budget Appropriation	\$ 314,000	\$ -	\$ 314,000	\$ 302,027	\$ -	\$ 302,027
ERTC Income	-	-	-	21,000	-	21,000
Contributions	45,065	-	45,065	29,184	-	29,184
Corporate Contributions	67,758	-	67,758	57,809	-	57,809
Memberships and Subscriptions	18,960	-	18,960	14,217	-	14,217
Grants	123,031	-	123,031	86,455	-	86,455
Bequests	362,760	-	362,760	-	-	-
Special Events	1,395	-	1,395	2,640	-	2,640
Miscellaneous	172	-	172	922	-	922
Unrealized and Realized Gain on Beneficial Interest in Assets Held by Others	118,393	29,815	148,208	75,114	8,833	83,947
TOTAL REVENUES	1,051,534	29,815	1,081,349	589,368	8,833	598,201
EXPENSES						
Program Expenses	634,693	-	634,693	537,106	-	537,106
Administrative Expenses	28,668	-	28,668	35,931	-	35,931
Fundraising Expenses	14,239	-	14,239	19,580	-	19,580
TOTAL EXPENSES	677,599	-	677,599	592,617	-	592,617
Change in Net Assets	373,935	29,815	403,750	(3,249)	8,833	5,584
Net Assets at Beginning of Year	765,452	263,782	1,029,234	768,701	254,949	1,023,650
Net Assets at End of Year	\$ 1,139,388	\$ 293,597	\$ 1,432,985	\$ 765,452	\$ 263,782	\$ 1,029,234

See Accompanying Notes to the Financial Statements

**OHIOANA LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

Expenses	Program	Administrative	Fundraising	Total
Personnel Costs	\$ 290,205	\$ 12,646	\$ 6,763	\$ 309,614
Rent	115,005	5,228	2,767	123,000
Printing and Publishing	20,894	-	811	21,705
Insurance - Collection	5,642	173	129	5,944
Office and Library Supplies	3,590	102	66	3,758
Awards	17,182	-	-	17,182
Employee Benefits	30,864	1,795	720	33,379
Repairs and Maintenance	2,386	87	51	2,524
Postage	2,981	8	496	3,485
Professional Fees	56,671	1,387	835	58,893
Subscriptions and Memberships	9,817	556	246	10,619
Telephone	1,496	69	34	1,599
Special Events	58,431	2	251	58,684
Marketing and Public Relations	8,956	1,490	944	11,390
Collection, Cataloging, and Preservation	4,584	-	-	4,584
Travel and Meetings	787	34	15	836
Fees	370	4,885	8	5,263
Amortization Expenses	4,832	206	103	5,140
Total Expenses	\$ 634,693	\$ 28,668	\$ 14,239	\$ 677,599

See Accompanying Notes to the Financial Statements

**OHIOANA LIBRARY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

Expenses	Program	Administrative	Fundraising	Total
Personnel Costs	\$ 246,813	\$ 19,180	\$ 4,674	\$ 270,667
Rent	111,044	8,847	2,135	122,026
Printing and Publishing	17,374	-	578	17,952
Insurance - Collection	4,138	519	98	4,755
Office and Library Supplies	806	48	14	868
Awards	13,500	-	-	13,500
Employee Benefits	28,475	2,122	531	31,128
Repairs and Maintenance	28	100	2,294	2,422
Postage	1,513	-	813	2,326
Professional Fees	38,032	1,469	393	39,894
Subscriptions and Memberships	147	576	7,682	8,405
Telephone	1,454	116	28	1,598
Special Events	50,844	-	250	51,094
Marketing and Public Relations	15,544	119	47	15,710
Collection, Cataloging, and Preservation	4,680	-	-	4,680
Travel and Meetings	1,485	123	26	1,634
Fees	1,229	2,712	16	3,957
Total Expenses	\$ 537,106	\$ 35,931	\$ 19,580	\$ 592,617

See Accompanying Notes to the Financial Statements

OHIOANA LIBRARY ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 403,750	\$ 5,585
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Amortization	5,140	-
Unrealized and Realized Gain on Beneficial Interest in Assets Held by Others	(148,208)	(83,947)
(Increase) Decrease in Assets:		
Beneficial Interest in Assets Held by Others	(245,165)	43,475
(Decrease) Increase in Liabilities:		
Accounts Payable	(3,425)	4,250
Accrued Expenses	(9)	18
Net Cash Provided by (Used in) Operating Activities	<u>12,083</u>	<u>(30,619)</u>
Cash Flows from Investing Activities		
Purchase of Computer Software	(30,841)	-
Net Cash Used in Investing Activities	<u>(30,841)</u>	<u>-</u>
Cash Flows from Financing Activities		
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash	(18,758)	(30,619)
Cash With and Without Donor Restrictions at Beginning of Year	<u>65,740</u>	<u>96,359</u>
Cash With and Without Donor Restrictions at End of Year	<u>\$ 46,982</u>	<u>\$ 65,740</u>

See Accompanying Notes to the Financial Statements

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 – ORGANIZATION

Ohioana Library Association ("Ohioana") was organized in 1929 to promote literature written by Ohioans or about Ohio. Ohioana is located on East First Avenue in Columbus, Ohio. Ohioana is a 501(c)(3) not-for-profit organization, and, although its support comes primarily from appropriations from the state of Ohio, Ohioana receives significant support from memberships, subscriptions, grants, and private donors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Basis of Accounting

The accompanying financial statements of Ohioana have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The accompanying financial statements have been presented in accordance with accounting principles generally accepted in the United States of America. Under these principles, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of Ohioana and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions are not restricted by donors and are available for use in Ohioana's ongoing operations.

Net Assets With Donor Restrictions - Net assets with donor restrictions are limited as to use by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by action of Ohioana pursuant to those restrictions. Some donor restrictions may not expire and are considered permanent.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities as net assets released from restrictions. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contribution is recognized.

See Note 5 for details of what comprises donor-restricted net assets as of June 30, 2024 and 2023.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Ohioana to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

Cost Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are Personnel Costs, Rent, Insurance – Collection, Office and Library Supplies, Employee Benefits, Repairs and Maintenance, Postage, Professional Fees, Subscriptions and Memberships, Telephone, Special Events, Marketing and Public Relations, Travel and Meetings, and Fees which are allocated on the basis of time and effort studies.

Revenue and Revenue Recognition

Ohioana recognizes contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of Ohioana's revenue is derived from state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Ohioana has provided services or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as Refundable Advances in the Statements of Financial Position. Ohioana has no refundable advances as of June 30, 2024 and 2023.

Membership

Individuals, libraries, and organizations may become members of Ohioana through the payment of dues which entitle them to certain benefits. Revenue from membership is recognized when received, is valid for a one-year period, and can be renewed annually.

Nonfinancial Contributed Assets

A substantial number of volunteers have donated their time to Ohioana. The majority of this time is through volunteer support at Ohioana events. These donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Furniture, Fixtures, and Equipment

Furniture, fixtures, and equipment are carried at cost, less accumulated depreciation, and computed on the straight-line method. Property and Equipment with a unit cost of \$5,000 or more and a useful life exceeding one year are stated at cost. Major renewals and betterments are capitalized and depreciated; maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense as incurred. Upon disposal of assets, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income. Furniture, fixtures, and equipment are depreciated over estimated useful lives from three to ten years. As of

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the years ended June 30, 2024 and 2023, the cost of furniture, fixtures, and equipment was fully depreciated. The cost of those items was \$234,094 for both years. Ohioana updated their website for the year ended June 30, 2024. See Note 11 for more information.

Income Taxes

Ohioana is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provisions for income taxes have been made in the accompanying financial statements. Additionally, the Internal Revenue Service has not classified Ohioana as a private foundation because it is an organization of the type described in Sections 509(a)(1) and 170 (b)(A)(vi) of the Code.

Ohioana follows Financial Accounting Standards Board (“FASB”) guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, Ohioana may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Ohioana, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. On June 30, 2024, there were no material unrecognized tax benefits identified or recorded as liabilities.

Ohioana files Form 990 in the U.S. federal jurisdiction and the state of Ohio. Ohioana’s federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. All tax returns for years ending after June 30, 2021 are open for examination.

Beneficial Interest in Assets Held by Others

Ohioana follows ASC 815 which requires a not-for-profit that transfers assets to a community foundation and specifies itself as the beneficiary to recognize its beneficial interest in the assets transferred. Ohioana reflects its beneficial interest in the assets held by others as a long-term asset on the Statements of Financial Position.

Changes in value are recorded in the Statements of Activities.

Collections

Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements.

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collections of Ohioana contain approximately 90,000 and 80,000 works by Ohioans or about Ohio, including books, sheet music, biographical files, and ephemera for the years ended June 30, 2024 and 2023, respectively.

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the Statement of Financial Position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through XXX, 2024, the date on which the financial statements were available to be issued.

NOTE 3 – RETIREMENT PLAN

As of July 1, 2015, Ohioana established a 401k plan for its employees. The plan covers substantially all employees. Ohioana's contributions to the plan for the years ended June 30, 2024 and 2023 were \$12,946 and \$11,404, respectively, and are reported as Personnel Costs on the Statements of Functional Expenses.

NOTE 4 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Effective December 7, 2005, Ohioana transferred its investment portfolio to The Columbus Foundation to establish funds for the benefit of Ohioana. These funds are classified as Beneficial Interest in Assets Held by Others in the Statements of Financial Position. Changes in value are recorded as Unrealized and Realized Gain on Beneficial Interest in Assets Held by Others in the Statements of Activities for the years ended June 30, 2024 and 2023.

The Columbus Foundation funds that Ohioana holds a beneficial interest in are comprised of the following as of June 30, 2024:

<u>Without Donor Restriction</u>		<u>With Donor Restriction</u>		<u>Total</u>
<u>Unrestricted</u>	<u>Board- Designated (Note 6)</u>	<u>Temporarily Donor- Restricted (Note 5)</u>	<u>Endowments (Note 5 and 8)</u>	
\$ 1,047,820	\$ 20,160	\$ 83,192	\$ 210,405	\$ 1,361,577

The Columbus Foundation funds that Ohioana holds a beneficial interest in are comprised of the following as of June 30, 2023:

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 4 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)

Without Donor Restriction		With Donor Restriction		Total
Unrestricted	Board-Designated (Note 6)	Temporarily Donor-Restricted (Note 5)	Endowments (Note 5 and 8)	
\$ 634,262	\$ 70,160	\$ 74,744	\$ 189,038	\$ 968,204

NOTE 5 – DONOR-RESTRICTED NET ASSETS

The details of Ohioana's donor-restricted net asset categories on June 30, 2024 and 2023 are as follows:

	2024	2023
Care of Mary Rogers Library Materials	\$ 7,606	\$ 6,834
Promoting Children's Literature	26,411	23,729
Making the Library Collection Available to the Public	9,890	8,886
Purchase Out-of-Print Books for the Library Collection	24,527	22,036
Expenses of Hamilton County Committee	14,758	13,259
Endowment for Perpetuity (Note 8)	210,405	189,039
Total Donor-Restricted Net Assets	<u>\$ 293,597</u>	<u>\$ 263,783</u>

NOTE 6 – BOARD-DESIGNATED FUND

The Board approved the establishment of a board-designated fund. The purpose of the fund is to segregate funds for the purpose of providing an internship that provides a community learning experience for Ohio college students in honor of Ruth Weimer Mount.

These board-designated funds are held at The Columbus Foundation and are part of the beneficial interest in assets held by others. The balances of board-designated funds were \$20,160 and \$70,160 as of June 30, 2024 and 2023, respectively. These are included as a part of Net Assets Without Donor Restrictions.

Net Assets Without Donor Restrictions are comprised of the following as of June 30, 2024 and 2023:

	2024	2023
Net Assets Without Donor Restrictions	\$ 825,141	\$ 695,293
Board-Designated	20,160	70,160
Schmutzler Fund	341,837	-
Total Net Assets Without Donor Restrictions	<u>\$1,187,138</u>	<u>\$ 765,453</u>

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 7 – LEASE ACTIVITIES

Ohioana subleases space from the State Library of Ohio, and the rent payments are made to the State Library of Ohio through a line item in the budget of the State of Ohio. This line item directly accounts for that portion of the rent due under the lease. The prior lease was for a fourteen-year (14-year) period beginning July 1, 2009, and was renewed for the period July 1, 2023 through June 30, 2025.

Since Ohioana does not have a lease agreement and the rent expense is paid directly by the State of Ohio, Ohioana did not record the right-of-use and operating lease liability in the financial statements.

Rent expenses for the years ended June 30, 2024 and 2023 were \$123,000 and \$122,026, respectively, and are reported as Rent Expenses on the Statements of Functional Expenses.

NOTE 8 – ENDOWMENTS

Ohioana's endowment consists of individual funds established for a variety of purposes using donor-restricted endowment funds. Effective December 7, 2005, Ohioana transferred its board-designated and donor-restricted investment portfolio to The Columbus Foundation. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of Ohioana has interpreted the Ohio Uniform Prudent Management of Institutional Funds Act (UPMIFA) to require preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless the donor explicitly stipulates interpretation to the contrary. As a result of this interpretation, Ohioana classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, Ohioana considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the donor-restricted endowment funds,
3. General economic conditions,
4. The possible effect of inflation and deflation, and
5. The expected total return from income and the appreciation of investments.

**OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 8 – ENDOWMENTS (Continued)

Endowment (donor-restricted) net asset compositions as of and for the year ended June 30, 2024 are as follows:

Description	Fair Value	Level 1	Level 2	Level 3
Beneficial Interest in Assets Held by Others	\$ 293,597	\$ -	\$ -	\$ 293,597

Endowment (donor-restricted) net asset compositions as of and for the year ended June 30, 2023 are as follows:

Description	Fair Value	Level 1	Level 2	Level 3
Beneficial Interest in Assets Held by Others	\$ 263,782	\$ -	\$ -	\$263,782

Changes in endowment net assets as of June 30, 2024 and 2023 are as follows:

	2024	2023
Endowment Net Assets, Beginning of Year	\$ 263,782	\$ 254,949
Investment Return, Net	29,815	8,833
Endowment Net Assets, End of Year	<u>\$ 293,597</u>	<u>\$ 263,782</u>

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Ohioana to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies related to market fluctuation as of June 30, 2024 and 2023.

Investment Strategies

For the assets held by The Columbus Foundation, investments are subject to The Columbus Foundation's investment strategies and policies. Ohioana receives annual allocations based on requests from Ohioana and available funds.

OHIOANA LIBRARY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 9 – FAIR VALUE MEASUREMENTS

Fair values of assets measured as of June 30, 2024 were as follows:

Recurring fair value measurements

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial Interest in Third Party Assets	\$ 1,361,577	\$ -	\$ -	\$ 1,361,577
Total Recurring Fair Value Measurements	<u>\$ 1,361,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,577</u>

Fair values of assets measured as of June 30, 2023 were as follows:

Recurring fair value measurements

Description	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial Interest in Third Party Assets	\$ 968,204	\$ -	\$ -	\$ 968,204
Total Recurring Fair Value Measurements	<u>\$ 968,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,204</u>

Description	Beneficial Interest in Third Party Assets	
	2024	2023
Opening Balance – June 30	\$ 968,204	\$ 927,732
Contributions	300,000	-
Realized and Unrealized Gains	148,208	83,947
Disbursement of Funds to Cash	(50,000)	(40,000)
Administrative Fees	(4,835)	(3,475)
Total Level 3 as of June 30	<u>\$ 1,361,577</u>	<u>\$ 968,204</u>

**OHIOANA LIBRARY ASSOCIATION
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NOTE 9 – FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements using significant unobservable inputs (Level 3):

The valuation technique used for Level 3 is a proportionate share of The Columbus Foundation's total holdings in Level 1 investments that Ohioana has a beneficial interest in.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Ohioana has a goal to maintain financial assets, which primarily consist of cash held in a bank account to meet six months of planned expenses, excluding rent expense. Rent is paid directly by the State of Ohio. The six-month average of the expenses, excluding rent, is approximately \$277,000 and \$235,000 for June 30, 2024 and 2023, respectively. Ohioana's planned expenses are based on the fiscal year budget approved by the Board of Directors.

Liquid assets as of June 30, 2024 and 2023 totaled \$46,982 and \$65,740, respectively, as reported on the Statements of Financial Position as Current Assets. As part of its liquidity management, as more fully described in Note 4, Ohioana has a beneficial interest in funds held by The Columbus Foundation and is able to request unrestricted funds as needed. In addition, Ohioana holds a line of credit in the amount of \$50,000, which it could draw upon in the event of an unanticipated need for liquidity.

NOTE 11 – PROPERTY AND EQUIPMENT

Ohioana revamped its website to feature enhanced donation capabilities, a modern design, and an improved user experience. The redesign was finished and launched before fall 2023. Property and equipment are stated at the net book value and consist of the following:

	2024	2023
Equipment and Furniture	\$ 45,202	\$ 45,202
Furniture and Fixtures	187,160	187,160
Computer Software	32,573	1,732
Total	264,935	234,094
Less: Accumulated Depreciation	(234,094)	(234,094)
Less: Accumulated Amortization	(5,140)	-
Net Book Value	<u>\$ 25,701</u>	<u>\$ -</u>

Amortization expenses for the years ended June 30, 2024 and 2023 were \$5,140 and \$0, respectively, and are reported as Amortization Expenses on the Statements of Functional Expenses.

**OHIOANA LIBRARY ASSOCIATION
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NOTE 12 – CHANGES IN ACCOUNTING PRINCIPLES

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires the organization to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The FASB has subsequently issued additional ASUs amending certain aspects of ASU 2016-13.

On July 1, 2023, Ohioana adopted the new accounting standard and all of the related amendments using the modified retrospective method. Results for reporting periods beginning after July 1, 2023 are presented under ASC 326. The comparative information is reported under the new accounting standard. The change created no change in the reporting of the prior year financial statements.

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