



OHIO AUDITOR OF STATE
KEITH FABER



**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY
DECEMBER 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
to the Statement of Activities	18
Notes to the Basic Financial Statements	19
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	58
Schedule of the Library's Proportionate Share of the	
Net Pension Liability and Library Pension Contributions	
(OPERS) – Traditional Plan	59
Schedule of the Library's Proportionate Share of the	
Net Pension Asset and Library Pension Contributions	
(OPERS) – Combined Plan.....	60
Schedule of the Library's Proportionate Share of the	
Net OPEB Liability/(Asset) and Library OPEB Contributions	
(OPERS).....	61
Notes to Required Supplementary Information	62
Independent Auditor's Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	65

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Stark County District Library
Stark County
715 Market Avenue North
Canton, Ohio 44702

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stark County District Library, Stark County, Ohio (Library), as of and for the year ended December 31, 2024, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Stark County District Library, Stark County, Ohio, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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

As discussed in Note 3 to the financial statements, during 2024, the Library adopted new accounting guidance in *Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences*. 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 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 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.


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2026, 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 21, 2026

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

The management's discussion and analysis of the Stark County District Library's (the "Library") financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Library's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position of the Library increased \$3,181,353 or 13.29% from December 31, 2023's restated net position.
- General revenues accounted for \$22,549,970 or 97.81% of total governmental activities revenue. Program specific revenues accounted for \$504,475 or 2.19% of total governmental activities revenue.
- The Library had \$19,873,092 in expenses related to governmental activities.
- At year-end, the Library's governmental funds reported combined fund balances of \$38,720,293, an increase of \$9,617,573 or 33.05% from the prior year.

Using this Annual Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Library as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Library as a whole, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the Library as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the Library to provide programs and activities, the view of the Library as a whole looks at all financial transactions and asks the question, "How did the Library perform financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Library's net position and changes in net position. This change in net position is important because it tells the reader that, for the Library as a whole, the financial position of the Library has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Reporting the Library's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains a multitude of individual governmental funds. The Library has segregated these funds into major and nonmajor funds. The Library's major governmental funds are the general fund and the capital projects fund. Information for the major funds are presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's general fund budgetary information, net pension liability/asset, pension contributions, net other postemployment benefits (OPEB) liability/asset, OPEB contributions and related note disclosures.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Government-Wide Financial Analysis

The statement of net position serves as a useful indicator of a government's financial position. The table below provides a summary of the Library's net position at December 31, 2024 and 2023.

Net Position

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets	\$ 56,722,160	\$ 46,716,893
Net pension asset	217,654	174,436
Net OPEB asset	389,764	-
Capital assets, net	<u>16,891,324</u>	<u>8,554,260</u>
Total assets	<u>74,220,902</u>	<u>55,445,589</u>
<u>Deferred outflows of resources</u>		
Pension and OPEB	<u>5,939,825</u>	<u>5,992,322</u>
<u>Liabilities</u>		
Current liabilities	1,357,710	1,825,027
Long-term liabilities		
Net pension liability	13,541,555	11,482,806
Net OPEB liability	-	247,781
Other amounts	<u>26,000,827</u>	<u>11,185,993</u>
Total liabilities	<u>40,900,092</u>	<u>24,741,607</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for the next fiscal year	11,856,726	11,964,299
Pension and OPEB	<u>276,240</u>	<u>112,970</u>
Total deferred outflows of resources	<u>12,132,966</u>	<u>12,077,269</u>
<u>Net position</u>		
Net investment in capital assets	1,908,636	(2,433,192)
Restricted	1,423,492	1,113,103
Unrestricted	<u>23,795,541</u>	<u>25,939,124</u>
Total net position	<u>\$ 27,127,669</u>	<u>\$ 24,619,035</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net OPEB asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Library's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the Library's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Library is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability/asset are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Library's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Capital assets reported on the government-wide statements represent 22.76% of the Library's total assets. Capital assets include land, land improvements, buildings and improvements, leaseholder improvements, furniture and equipment, vehicles, and intangible right to use assets. The net investment in capital assets at December 31, 2024, was \$1,908,636. These capital assets are used to provide services to citizens and are not available for future spending. Although the Library's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Library's net position, \$1,423,492, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$23,795,541.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

The table below shows the changes in net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

Change in Net Position	Restated	
	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues:		
Charges for services	\$ 314,597	\$ 247,603
Operating grants and contributions	120,094	197,994
Capital grants and contributions	<u>69,784</u>	<u>-</u>
Total program revenues	<u>504,475</u>	<u>445,597</u>
General revenues:		
Property taxes	11,755,972	11,908,154
Public library fund	8,754,764	9,176,665
Grants not restricted		
to specific programs	355,448	425,315
Earnings on investments	1,496,353	1,299,670
Miscellaneous	<u>187,433</u>	<u>70,200</u>
Total general revenues	<u>22,549,970</u>	<u>22,880,004</u>
Total revenues	<u>23,054,445</u>	<u>23,325,601</u>
Program expenses		
Library services:		
Public services and programs	7,591,950	8,709,815
Collection development and processing	3,308,090	3,929,228
Support services:		
Facilities operation and maintenance	344,552	342,192
Information services	897,290	993,816
Business administration	6,995,878	6,298,465
Interst	506,206	333,402
Note issuance costs	<u>229,126</u>	<u>-</u>
Total expenses	<u>19,873,092</u>	<u>20,606,918</u>
Change in net position	<u>3,181,353</u>	<u>2,718,683</u>
Net position, previously reported	24,619,035	21,900,352
Restatement - change in accounting principle	(672,719)	-
Net position at beginning of year (restated)	<u>23,946,316</u>	<u>21,900,352</u>
Net position at end of year	<u><u>\$ 27,127,669</u></u>	<u><u>\$ 24,619,035</u></u>

Governmental Activities

The funding for governmental activities comes from several different sources, the most significant being property taxes and intergovernmental general revenues not restricted to specific programs.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by property tax revenue, unrestricted grants and entitlements revenue, unrestricted and gifts and donations, investment earnings and miscellaneous revenue.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

As can be seen in the graph below, the Library is highly dependent upon property taxes and other general revenues.

	Governmental Activities		Governmental Activities	
	2024		2023	
	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>
Program expenses:				
Library services:				
Public services and programs	\$ 7,591,950	\$ 7,250,524	\$ 8,709,815	\$ 8,436,452
Collection development and processing	3,308,090	3,308,090	3,929,228	3,929,228
Support services:				
Facilities operation and maintenance	344,552	344,552	342,192	342,192
Information services	897,290	804,025	993,816	821,582
Business administration	6,995,878	6,926,094	6,298,465	6,298,465
Interest	506,206	506,206	333,402	333,402
Note issuance costs	229,126	229,126	-	-
Total	<u>\$ 19,873,092</u>	<u>\$ 19,368,617</u>	<u>\$ 20,606,918</u>	<u>\$ 20,161,321</u>

The dependence upon general revenues for governmental activities is apparent, with 97.46% of expenses supported through property taxes and other general revenues for 2024.

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Library's net resources available for spending at year-end.

The Library's governmental funds reported a combined fund balance of \$38,720,293 which is \$9,617,573 more than last year's total of \$29,102,720. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2024 and December 31, 2023 for all major and nonmajor governmental funds.

	<u>Fund Balances</u>	<u>Fund Balances</u>	<u>Change</u>
	<u>12/31/24</u>	<u>12/31/23</u>	
Major funds:			
General	\$ 14,152,272	\$ 10,570,636	\$ 3,581,636
Capital projects	15,520,911	8,197,465	7,323,446
Other nonmajor governmental funds	9,047,110	10,334,619	(1,287,509)
Total	<u>\$ 38,720,293</u>	<u>\$ 29,102,720</u>	<u>\$ 9,617,573</u>

General Fund

The Library's general fund balance increased \$3,581,636 or 33.88% from \$10,570,636 to \$14,152,272 in 2024. This increase can primarily be attributed to \$1,551,941 in lease transactions.

Capital Projects Fund

During 2024, the capital projects fund increased \$7,323,446. This was mainly due to \$12,000,000 in note issuance costs.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Budgeting Highlights

The Library's budget is prepared according to the laws of the State of Ohio and is based on accounting for transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund.

Budgetary information is presented for the general fund. The actual revenues of \$20,549,152 were lower than the final budgeted revenues of \$21,705,433. Actual expenditures of \$17,342,575 were higher than the final appropriations of \$17,666,778.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2024, the Library had \$16,891,324 (net of accumulated depreciation/amortization) invested in various classes as described below.

The following table shows 2024 balances compared to 2023:

Capital Assets at December 31 (Net of Depreciation/Amortization)

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 521,500	\$ 521,500
Construction in progress	5,433,616	-
Land improvements	268,331	290,491
Buildings and improvements	3,552,405	3,598,139
Leaseholder improvements	2,335,085	763,201
Furniture and equipment	2,301,061	2,116,911
Vehicles	361,922	329,605
Intangible right to use assets	<u>2,117,404</u>	<u>934,413</u>
Totals	<u>\$ 16,891,324</u>	<u>\$ 8,554,260</u>

The Library had total additions of \$9,508,972 and depreciation/amortization of \$1,170,629. See Note 7 in the notes to the basic financial statements for detail on capital assets.

Debt Administration

The Library had leases payable, Subscription Based Information Technology Arrangements (SBITAs) payable and notes payable of \$24,388,956. Of this amount, \$1,504,853 is due in one year and \$22,884,103 is due in more than one year.

See Note 8 to the basic financial statements for detail on long-term obligations.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Current Issues

The challenge for all libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some instances, shrinking funding.

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The PLF was enacted by the State of Ohio as the funding mechanism for Ohio public libraries in January 2008 and set at a fixed 2.22 percent of the total General Revenue Fund (GRF) tax receipts. Effective July 2013, the funding percentage was changed to 1.66 percent of the total GRF tax receipts. In 2014, the Ohio General Assembly temporarily increased the percentage to 1.7 percent effective until the Fiscal Year 2018 and Fiscal Year 2019 state budget. In June 2017 the Ohio General Assembly changed the temporary percentage from 1.7 percent to 1.68 percent, through the Fiscal Year 2018 and Fiscal Year 2019 budget. The PLF remained temporarily set to 1.7 percent through Fiscal Year 2020/2021 and 2022/2023. For Fiscal Year 2024/2025 the State of Ohio set the PLF to 1.7 percent in permanent law.

The Library engaged with an architecture firm and general contractor about a renovation project for 6 of its branch locations, called ReImagine. Phase 1 of the project, including the first 3 branches, was substantially complete by December 2021. Phase 2, the second 3 branches, was substantially complete in March 2023.

After the completion of the ReImagine projects, the Library commissioned a "Master Planning" project. The main purpose of the project was to evaluate the recently renovated Library facilities, the two remaining non-renovated facilities, and the Main Library. The conclusion of the study indicated that the Library should renovate one of the branches, move the second branch to a new location, and build a new Main Library.

Following the completion of the Master Planning study, the Library began the ReImagine 2.0 project, selecting an architecture firm and general contractor to carry out the specified scope of work. In March 2024 the Library began renovation of one branch location along with the relocation of another. Both projects were completed by end of October 2024. This also concluded an 8 year project to renovate or relocate all of the Library's branch locations.

Also as part of ReImagine 2.0 the Library began construction of a new Operations Center in September 2024, with a planned opening by end of 2025. Along side the Operations Center, the Library continues planning the new Main Library and hopes to break ground in early 2026.

The Library will continue to explore new technology solutions for staff and customers, including new Library equipment providing 24/7 access to services, access to e-materials, and improved internet access for customers. As the information needs of our service population change, the Library must continue to seek innovative and relevant solutions and formats.

The Library also continues to monitor expenditures and is committed to maintaining long term sustainability and will also continue to search for additional funding to be able to provide the service our customers expect.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Chris Butler, Fiscal Officer, Stark County District Library, 715 Market Avenue North, Canton, Ohio 44702-1018. Also, information regarding the Library is available on its website, www.starklibrary.org.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 38,387,894
Receivables:	
Property taxes	13,603,563
Intergovernmental	4,510,167
Accrued interest	144,426
Materials and supplies inventory	26,285
Prepayments	22,742
Deposits	27,083
Net pension asset	217,654
Net OPEB asset	389,764
Capital assets:	
Nondepreciable capital assets	5,955,116
Depreciable capital assets, net	10,936,208
Total capital assets, net	<u>16,891,324</u>
Total assets	<u>74,220,902</u>
Deferred outflows of resources:	
Pension	5,599,561
OPEB	340,264
Total deferred outflows of resources	<u>5,939,825</u>
Liabilities:	
Accounts payable	354,091
Contracts payable	241,450
Retainage payable	139,961
Accrued wages and benefits payable	477,295
Intergovernmental payable	50,080
Accrued interest payable	93,322
Unearned revenue	1,511
Long-term liabilities:	
Due within one year	2,478,818
Due greater than one year:	
Net pension liability	13,541,555
Other amounts due in more than one year	23,522,009
Total liabilities	<u>40,900,092</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	11,856,726
Pension	21,530
OPEB	254,710
Total deferred inflows of resources	<u>12,132,966</u>
Total liabilities and deferred inflows of resources.	<u>53,033,058</u>
Net position:	
Net investment in capital assets	1,908,636
Restricted for:	
Debt service	568,998
Library programs	206,624
Library materials	39,827
Pension and OPEB	607,418
Other purposes	625
Unrestricted	23,795,541
Total net position	<u>\$ 27,127,669</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

			Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental activities:						
Current:						
Library services:						
Public services and programs	\$ 7,591,950	\$ 307,541	\$ 33,885	\$ -	\$	(7,250,524)
Collection development and processing	3,308,090	-	-	-		(3,308,090)
Support services:						
Facilities operation and maintenance	344,552	-	-	-		(344,552)
Information services	897,290	7,056	86,209	-		(804,025)
Business administration	6,995,878	-	-	69,784		(6,926,094)
Interest	506,206	-	-	-		(506,206)
Note issuance costs	229,126	-	-	-		(229,126)
Total governmental activities	<u>\$ 19,873,092</u>	<u>\$ 314,597</u>	<u>\$ 120,094</u>	<u>\$ 69,784</u>		<u>(19,368,617)</u>
General revenues:						
Property taxes levied for:						
General purposes						11,755,972
Public library fund						8,754,764
Grants and entitlements not restricted to specific programs						355,448
Earnings on investments						1,496,353
Miscellaneous						187,433
Total general revenues						<u>22,549,970</u>
Change in net position						3,181,353
Net position at beginning of year, as previously reported						24,619,035
Restatement - Change in accounting principle						(672,719)
Net position at beginning of year (restated)						<u>23,946,316</u>
Net position at end of year						<u>\$ 27,127,669</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 13,620,491	\$ 15,886,015	\$ 8,881,388	\$ 38,387,894
Receivables:				
Property taxes	13,603,563	-	-	13,603,563
Intergovernmental	3,828,662	-	681,505	4,510,167
Accrued interest	52,493	61,349	30,584	144,426
Materials and supplies inventory	26,285	-	-	26,285
Prepayments	22,742	-	-	22,742
Deposits	27,083	-	-	27,083
Total assets	<u>\$ 31,181,319</u>	<u>\$ 15,947,364</u>	<u>\$ 9,593,477</u>	<u>\$ 56,722,160</u>
Liabilities:				
Accounts payable	\$ 263,977	\$ 14,741	\$ 75,373	\$ 354,091
Contracts payable	-	241,450	-	241,450
Retainage payable	-	139,961	-	139,961
Accrued wages and benefits payable	477,295	-	-	477,295
Intergovernmental payable	50,080	-	-	50,080
Unearned revenue	-	-	1,511	1,511
Total liabilities	<u>791,352</u>	<u>396,152</u>	<u>76,884</u>	<u>1,264,388</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	11,856,726	-	-	11,856,726
Delinquent property tax revenue not available	1,746,837	-	-	1,746,837
Accrued interest not available	25,927	30,301	15,106	71,334
Intergovernmental revenue not available	2,608,205	-	454,377	3,062,582
Total deferred inflows of resources	<u>16,237,695</u>	<u>30,301</u>	<u>469,483</u>	<u>16,737,479</u>
Fund balances:				
Nonspendable	49,027	-	-	49,027
Restricted	-	8,912,693	1,185,157	10,097,850
Committed	-	-	4,574,785	4,574,785
Assigned	344,302	6,608,218	3,287,168	10,239,688
Unassigned	13,758,943	-	-	13,758,943
Total fund balances	<u>14,152,272</u>	<u>15,520,911</u>	<u>9,047,110</u>	<u>38,720,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,181,319</u>	<u>\$ 15,947,364</u>	<u>\$ 9,593,477</u>	<u>\$ 56,722,160</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances		\$ 38,720,293
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,891,324
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,746,837	
Intergovernmental receivable	3,062,582	
Accrued interest receivable	71,334	
Total		4,880,753
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(93,322)
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Net pension asset	217,654	
Net OPEB asset	389,764	
Deferred outflows - pension	5,599,561	
Deferred outflows - OPEB	340,264	
Net pension liability	(13,541,555)	
Deferred inflows - pension	(21,530)	
Deferred inflows - OPEB	(254,710)	
Total		(7,270,552)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,611,871)	
Leases payable	(2,093,664)	
SBITAs payable	(115,306)	
Notes payable	(21,305,000)	
Unamortized premiums on notes	(924,288)	
Unamortized discounts on notes	49,302	
Total		(26,000,827)
Net position of governmental activities		<u>\$ 27,127,669</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Capital Projects	<i>(formerly major)</i> Capital Fund - Main Library	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 11,591,513	\$ -		\$ -	\$ 11,591,513
Public library fund	7,522,217	-		1,227,081	8,749,298
Intergovernmental	378,436	-		-	378,436
Patron fines and fees	307,541	-		-	307,541
Contributions, gifts and donations	75,446	-		189,878	265,324
Earnings on investments	460,043	630,174		417,482	1,507,699
Miscellaneous	111,987	-		7,056	119,043
	<u>20,447,183</u>	<u>630,174</u>		<u>1,841,497</u>	<u>22,918,854</u>
Total revenues					
Expenditures:					
Current:					
Library services:					
Public services and programs	7,101,328	1,403,187		21,074	8,525,589
Collection development and processing	3,223,424	-		-	3,223,424
Support services:					
Facilities operation and maintenance	364,374	-		-	364,374
Information services	731,764	-		-	731,764
Business administration	5,055,998	87,564		2,158,877	7,302,439
Capital outlay	1,609,742	3,815,977		448,538	5,874,257
Debt service:					
Principal retirement	275,423	-		750,000	1,025,423
Interest	55,435	-		403,942	459,377
Note issuance costs	-	-		229,126	229,126
Total expenditures	<u>18,417,488</u>	<u>5,306,728</u>		<u>4,011,557</u>	<u>27,735,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,029,695</u>	<u>(4,676,554)</u>		<u>(2,170,060)</u>	<u>(4,816,919)</u>
Other financing sources (uses):					
Note issuance	-	12,000,000		-	12,000,000
Premium on note issuance	-	-		932,279	932,279
Lease transaction	1,551,941	-		-	1,551,941
Discount on note issuance	-	-		(49,728)	(49,728)
Total other financing sources (uses)	<u>1,551,941</u>	<u>12,000,000</u>		<u>882,551</u>	<u>14,434,492</u>
Net change in fund balances	3,581,636	7,323,446		(1,287,509)	9,617,573
Fund balance, as previously reported	10,570,636	8,197,465	6,152,030	4,182,589	29,102,720
Adjustment - major fund to nonmajor fund	-	-	(6,152,030)	6,152,030	-
Fund balance at beginning of year	10,570,636	8,197,465		10,334,619	29,102,720
Fund balance at end of year	<u>\$ 14,152,272</u>	<u>\$ 15,520,911</u>		<u>\$ 9,047,110</u>	<u>\$ 38,720,293</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds	\$	9,617,573
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*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation/amortization expense.

Capital asset additions	\$ 9,508,972	
Current year depreciation/amortization	(1,170,629)	
Total		8,338,343

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	(1,279)
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Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

Property and other local taxes	164,459	
Public library fund	5,466	
Earnings on investments	(11,346)	
Intergovernmental	(22,988)	
Total		135,591

Proceeds of notes, leases and SBITAs are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.	(13,551,941)
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Repayment of notes, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	1,025,423
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Premiums and discounts on notes are recognized as other financing sources (uses) in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.	(882,551)
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In the statement of activities, interest is accrued on outstanding notes whereas in governmental funds, an interest expenditure is reported when due.	(46,829)
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Contractually required pension contributions are reported as expenditures in
governmental funds; however, the statement of net position reports these amounts
as deferred outflows.

Pension		1,070,573
OPEB		5,844

Except for amounts reported as deferred inflows/outflows, changes in the net
pension/OPEB asset/liability are reported as pension expense in the statement of activities.

Pension		(2,730,199)
OPEB		60,029

Some expenses reported in the statement of activities,
such as compensated absences, do not require the use
of current financial resources and therefore are not
reported as expenditures in governmental funds.

Change in net position of governmental activities	\$	3,181,353
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

Stark County District Library, Stark County, Ohio, (the "Library") is a body corporate and politic, capable of suing and being sued; contracting; acquiring, holding, processing, and disposing of real and personal property; and exercising such powers and privileges as are conferred upon it by law. The Library is directed by a seven-member Board of Trustees: four of whom are appointed by the Stark County Commissioners and three of whom are appointed by the Stark County Common Pleas Judges. Appointments are for seven year terms, and members serve without compensation. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.22 to 3375.403 of the Ohio Revised Code with the administration of the day-to-day operations of the Library and financial accountability being the responsibility of the Executive Director and Fiscal Officer.

There is no potential for the Library to provide a financial benefit to or to impose a financial burden on the County Commissioners, nor can the County Commissioners significantly influence the programs, activities, or level of service performed or provided by the Library. The Library is fiscally independent of the County, although the County Commissioners serve in a ministerial capacity as the taxing authority. The determination to request approval of a tax, the rate, and the purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once these decisions are made, the County Commissioners must place the levy on the ballot.

Under the provisions of Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity: Omnibus," the Library is considered a related organization to Stark County.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Library consists of all funds, departments, boards, and agencies that are not legally separate from the Library.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Library's significant accounting policies are described below.

A. Basis of Presentation

The Library's BFS 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 primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the Library at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

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

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. 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. There are three categories of funds: governmental, proprietary and fiduciary. The following category is used by the Library:

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following is the Library's major governmental fund:

General Fund is used to account for the general operating revenues and disbursements of the Library not specifically required to be recorded elsewhere. The primary revenue sources include Public Library Fund, levy receipts, earnings on investments and intergovernmental revenues. 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.

Capital Projects Fund is used to account for money for current and future Library projects, as established by the Board of Trustees.

Other governmental funds of the Library are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to 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.

Nonmajor capital projects funds - Capital projects funds are used to 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.

Nonmajor debt service funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Library are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Library, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: earnings on investments, grants, entitlements and donations.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 10 and 11 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

See Notes 10 and 11 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds are legally required to be appropriated. The appropriations resolution is the Trustees' 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 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 appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources.

F. 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 with an original maturity of three months or less at the time they are purchased and investments of the cash management pool 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. The Library followed Ohio statutes for the allocation of interest earnings among the Library's funds. Interest revenue credited to the General Fund for 2024 was \$460,043.

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.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

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

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

G. Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types. Inventory consists of supplies.

On the fund financial statements, reported inventory is equally offset by a nonspendable fund balance in the governmental funds.

H. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds.

I. Capital Assets

The Library's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Library maintains a capitalization threshold of \$500. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not capitalized. Interest incurred during the construction of capital assets is also capitalized. Library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

All reported capital assets except land and construction in progress are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	15 - 40 years
Leaseholder improvements	Life of the lease
Furniture and equipment	5 - 20 years
Vehicles	8 years

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Library is reporting intangible right to use assets related to leased equipment, buildings and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

J. Compensated Absences

The Library recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and comp time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Library's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The Library's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the Library and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time

The Library's policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Leases payable and direct financing notes payable are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. 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:

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally 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 are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints are imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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. These amounts are assigned by the Board of Trustees. In the general fund, assigned amounts represent intended uses established by the Board of Trustees, or a Library official delegated by State statute. State statute authorizes the 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 all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Library applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance are available. The Library considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for the purposes for which any of the unrestricted fund balance classifications could be used.

M. Issuance Costs/Unamortized Bond Premium and Discount

On government-wide and fund financial statements, bond issuance costs are expensed in the year they occur.

Premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, issuance costs and premium/discounts are recognized in the current period.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Library applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Interfund Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

P. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

R. Fair Value Measurements

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the Library has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the Library.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Library.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the Library.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

B. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is shown in the table below.

	12/31/2023 As Previously Reported	Change in Accounting Principle	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 24,619,035	\$ (672,719)	\$ 23,946,316
Total Net Position	<u>\$ 24,619,035</u>	<u>\$ (672,719)</u>	<u>\$ 23,946,316</u>

C. Change within the Financial Reporting Entity

For 2024, the Library's Capital Fund - Main Library presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Library into three categories: Active monies are public monies necessary to meet current demands on the Library treasury. Such 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 of Trustees 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, by surety company bonds deposited with the Fiscal Officer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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, the 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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements are met;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, in an amount not to exceed forty (40) percent of the interim monies available for investment at any one time if training requirements have been met;
8. Written repurchase agreements in the securities described above in (1) or (2) provided that 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 that the term of the agreement must not exceed thirty days; and,
9. Star Ohio Plus-Bank Deposit Program for Public Fund Managers (FDIC insured).

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The Library may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not default of principal, interest, or coupons; and,
3. Obligations of the Library.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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 \$990 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the Financial Statements.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, the carrying amount of the Library's deposits was \$1,328,771 and the bank balance was \$2,273,706. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$1,773,706 was covered by collateral held through OPCS.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or 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 one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be one hundred two percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the Library's financial institution was approved for a reduced collateral rate of 85 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments

As of December 31, 2024, the Library had the following investments:

		Investment Maturities				
	Measurement	6 months or	7 to 12	13 to 18	19 to 24	Greater than
Measurement/Investment type	Value	less	months	months	months	24 months
Fair Value:						
Commercial paper	\$ 99,585	\$ 99,585	\$ -	\$ -	\$ -	\$ -
FAMC	728,772	-	-	-	278,267	450,505
FFCB	3,884,680	790,270	272,426	210,726	358,794	2,252,464
FHLB	3,561,008	773,548	379,983	497,571	621,011	1,288,895
FHLMC	195,680	-	195,680	-	-	-
FNMA	373,870	-	373,870	-	-	-
Medium Term Note	345,643	-	-	-	-	345,643
Negotiable CDs	1,376,048	-	727,833	-	-	648,215
TVA	296,003	98,705	-	-	-	197,298
U.S. Treasury notes	9,503,431	1,026,569	645,635	1,902,481	1,723,614	4,205,132
U.S. Government money market	61,393	61,393	-	-	-	-
Amortized cost:						
STAR Ohio	16,633,010	16,633,010	-	-	-	-
Total	\$ 37,059,123	\$ 19,483,080	\$ 2,595,427	\$ 2,610,778	\$ 2,981,686	\$ 9,388,152

The weighted average of maturity of investments is 1.04 years.

Credit Risk. The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio and U.S. government money market mutual funds carry a rating of AAAm by Standard & Poor's. The Library's negotiable CDs were not rated but are fully insured by the FDIC. The Library's investments in U.S. Treasury notes, federal agency securities and Tennessee Valley Authority (TVA) were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The Library's investments in commercial paper were rated P-1 by Moody's Investor Services.

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The Library's investment policy requires diversification of the portfolio but only states that the investments should be distributed as evenly as possible among the various instruments and institutions. The following is the Library's allocation as of December 31, 2024:

<u>Measurement/Investment type</u>	Measurement	
	<u>Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial paper	\$ 99,585	0.27
FAMC	728,772	1.97
FFCB	3,884,680	10.48
FHLB	3,561,008	9.61
FHLMC	195,680	0.53
FNMA	373,870	1.01
Medium Term Note	345,643	0.93
Negotiable CDs	1,376,048	3.71
TVA	296,003	0.80
US Treasury Notes	9,503,431	25.64
US Government money market	61,393	0.17
<i>Amortized cost:</i>		
STAR Ohio	<u>16,633,010</u>	<u>44.88</u>
Total	<u>\$ 37,059,123</u>	<u>100.00</u>

Reconciliation of Cash and Investments to the Statement of Net Position The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2024:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 1,327,781
Investments	37,059,123
Cash on hand	<u>990</u>
Total	<u>\$ 38,387,894</u>

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	<u>38,387,894</u>

NOTE 5 - GRANTS IN AID AND PROPERTY TAXES

Grants in Aid

A significant source of revenue for Ohio public libraries is the Public Library Fund (PLF). The PLF was enacted by the State of Ohio as the funding mechanism for Ohio public libraries in January 2008.

The State allocates PLF to each county monthly based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 - GRANTS IN AID AND PROPERTY TAXES - (Continued)

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.

The Stark County Budget Commission allocates these funds to the Library based on formula which incorporates square footage, full-time equivalent employees, circulation, service area population, number of cardholders, door count, website visits, expenditures for library materials and expenditures on technology. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives. During 2024, the Library received \$8,749,298 or 38.18% of the Library's annual revenue from this funding source.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the boundaries of the taxing district of the Library. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Library receives property taxes from Stark County. The County Auditors periodically remit to the Library its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2024 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2024 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all Library operations for the year ended December 31, 2024 was \$2.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2024 property tax revenues were based are as follows:

Real Property	\$ 6,201,882,450
Public Utility Personal Property	<u>759,137,110</u>
Total Assessed Value	<u>\$ 6,961,019,560</u>

NOTE 6 - RECEIVABLES

Receivables at December 31, 2024, consisted primarily of property taxes, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables are expected to be collected within the subsequent year.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 01/01/24	Additions	Deductions	Balance 12/31/24
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortized</i>				
Land	\$ 521,500	\$ -	\$ -	\$ 521,500
Construction in progress	<u>-</u>	<u>7,199,330</u>	<u>(1,765,714)</u>	<u>5,433,616</u>
Total capital assets, not being depreciated/amortized	<u>521,500</u>	<u>7,199,330</u>	<u>(1,765,714)</u>	<u>5,955,116</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	756,967	1,548	-	758,515
Buildings and improvements	15,133,434	114,636	-	15,248,070
Leaseholder improvements	832,583	1,790,889	-	2,623,472
Furniture and equipment	4,840,912	475,437	(35,546)	5,280,803
Vehicles	1,373,164	140,905	-	1,514,069
Intangible right-to-use assets:				
Equipment	185,825	144,516	(171,697)	158,644
Buildings	713,501	1,407,425	-	2,120,926
SBITAs	<u>368,628</u>	<u>-</u>	<u>(8,614)</u>	<u>360,014</u>
Total capital assets, being depreciated/amortized	<u>24,205,014</u>	<u>4,075,356</u>	<u>(215,857)</u>	<u>28,064,513</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(466,476)	(23,708)	-	(490,184)
Buildings and improvements	(11,535,295)	(160,370)	-	(11,695,665)
Leaseholder improvements	(69,382)	(219,005)	-	(288,387)
Furniture and equipment	(2,724,001)	(290,008)	34,267	(2,979,742)
Vehicles	(1,043,559)	(108,588)	-	(1,152,147)
Intangible right-to-use assets:				
Equipment	(145,920)	(52,404)	171,697	(26,627)
Buildings	(60,587)	(191,098)	-	(251,685)
SBITAs	<u>(127,034)</u>	<u>(125,448)</u>	<u>8,614</u>	<u>(243,868)</u>
Total accumulated depreciation/amortization	<u>(16,172,254)</u>	<u>(1,170,629)</u>	<u>214,578</u>	<u>(17,128,305)</u>
Total capital assets, being depreciated/amortized, net	<u>8,032,760</u>	<u>2,904,727</u>	<u>(1,279)</u>	<u>10,936,208</u>
Governmental activities capital assets, net	<u>\$ 8,554,260</u>	<u>\$ 10,104,057</u>	<u>\$ (1,766,993)</u>	<u>\$ 16,891,324</u>

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental activities as follows:

Library services:	
Public services and programs	\$ 375,134
Collection development and processing	98,668
Support services:	
Facilities operation and maintenance	11,253
Information services	155,363
Business administration	<u>530,211</u>
Total depreciation/amortization expense	<u>\$ 1,170,629</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the City has restated compensated absences as of December 31, 2023 which is reflected in the schedule below. Long-term obligations activity for the year ended December 31, 2024 was as follows:

	Restated Balance <u>1/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2024</u>	Amount Due in <u>One Year</u>
Compensated Absences*	\$ 1,752,647	\$ -	\$ (140,776)	\$ 1,611,871	\$ 973,965
Net Pension Liability	11,482,806	2,058,749	-	13,541,555	-
Net OPEB Liability	247,781	-	(247,781)	-	-
Leases Payable	707,452	1,551,941	(165,729)	2,093,664	334,547
SBITAs Payable	225,000	-	(109,694)	115,306	115,306
Library Facilities					
Notes - Series 2018	4,165,000	-	(140,000)	4,025,000	145,000
Library Facilities					
Notes - Series 2020	5,890,000	-	(210,000)	5,680,000	210,000
Library Facilities					
Notes - Series 2024	-	12,000,000	(400,000)	11,600,000	700,000
Unamortized premiums	-	932,279	(7,991)	924,288	-
Unamortized discounts	<u>-</u>	<u>(49,728)</u>	<u>426</u>	<u>(49,302)</u>	<u>-</u>
Total long-term obligations	<u>\$ 24,470,686</u>	<u>\$ 16,493,241</u>	<u>\$ (1,421,545)</u>	<u>\$ 39,542,382</u>	<u>\$ 2,478,818</u>

*The change in compensated absences liability is presented as a net change.

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid.

Net Pension Liability and Net OPEB Liability:

The net pension liability will be paid from the general fund. See Note 10 and 11 for details.

Lease Payable

The Library has entered into lease agreements for the intangible right-to-use equipment and buildings. Due to the implementation of GASB Statement No. 87, the Library will report an intangible capital asset and corresponding liability for the present value of future payments. The lease payments will be paid from the general fund.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

The Library has entered into the following lease agreements varying years and terms as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier	2022	3	2024	Monthly
Postage machine	2022	5	2026	Quarterly
Greater East Canton Community Building Lease	2020	10	2030	Monthly
2023 Lake Local School BOE Building Lease	2023	6	2029	Monthly
Dex Imaging Copier	2024	5	2029	Monthly
Nationwide Properties	2024	4	2028	Monthly
Canton Ravenna Lease - Southgate	2024	18	2042	Monthly

The following is a schedule of the present value of future payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 334,547	\$ 107,394	\$ 441,941
2026	445,797	77,826	523,623
2027	465,627	55,092	520,719
2028	407,860	31,608	439,468
2029	117,278	18,514	135,792
2030-2034	103,551	67,729	171,280
2035-2039	137,810	39,049	176,859
2040-2044	81,194	4,997	86,191
Total	<u>\$ 2,093,664</u>	<u>\$ 402,209</u>	<u>\$ 2,495,873</u>

SBITA Payable

The Library has entered into agreements for the intangible right-to-use subscription software. Due to the implementation of GASB Statement No. 96, the Library will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the general fund.

The Library has entered into agreements for subscriptions at varying years and terms as follows:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Sierra - Innovative Interfaces	2023	3	2025	Annual

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 115,306	\$ 5,899	\$ 121,205
Total	<u>\$ 115,306</u>	<u>\$ 5,899</u>	<u>\$ 121,205</u>

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Library Facilities Notes - Series 2018

On December 13, 2018, the Library issued \$4,800,000 in general obligation notes to provide funding to build a new Jackson Township library branch.

The issue is comprised of general obligation notes, par value \$4,800,000. The interest rate on the notes is 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2043. Principal and interest payments will be paid with public library fund monies out of the Debt Service Fund (Jackson) (a nonmajor governmental fund).

The following is a summary of the future debt service requirements to maturity for the Library Facilities Notes - Series 2018:

Year Ending December 31,	<u>Library Facilities Notes - Series 2018</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 145,000	\$ 157,350	\$ 302,350
2026	155,000	151,550	306,550
2027	160,000	145,350	305,350
2028	165,000	138,950	303,950
2029	170,000	132,350	302,350
2030-2034	955,000	562,850	1,517,850
2035-2039	1,170,000	355,250	1,525,250
2040-2043	<u>1,105,000</u>	<u>110,800</u>	<u>1,215,800</u>
Total	<u>\$ 4,025,000</u>	<u>\$ 1,754,450</u>	<u>\$ 5,779,450</u>

Library Facilities Notes - Series 2020

On December 8, 2020, the Library issued \$6,500,000 in general obligation notes to provide funding for renovations and improvements to Library buildings.

The issue is comprised of general obligation notes, par value \$6,500,000. The interest rate on the notes range from 0.45% to 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2045. Principal and interest payments will be paid with public library fund monies out of the Debt Service Fund (Reimagine) (a nonmajor governmental fund).

The following is a summary of the future debt service requirements to maturity for the Library Facilities Notes - Series 2020:

Year Ending December 31,	<u>Library Facilities Notes - Series 2020</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 210,000	\$ 134,542	\$ 344,542
2026	210,000	133,282	343,282
2027	220,000	124,882	344,882
2028	225,000	116,082	341,082
2029	235,000	107,082	342,082
2030-2034	1,275,000	440,360	1,715,360
2035-2039	1,410,000	305,310	1,715,310
2040-2044	1,560,000	151,354	1,711,354
2045	<u>335,000</u>	<u>7,956</u>	<u>342,956</u>
Total	<u>\$ 5,680,000</u>	<u>\$ 1,520,850</u>	<u>\$ 7,200,850</u>

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Library Facilities Notes - Series 2024

On September 26, 2024, the Library issued \$12,000,000 in general obligation notes to provide funding for renovations and improvements to Library buildings.

The issue is comprised of general obligation notes, par value \$12,000,000. The interest rate on the notes range from 4.125% to 5.250%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2053. Principal and interest payments will be paid with public library fund monies out of the Debt Service Fund (Ops Center) (a nonmajor governmental fund). At year-end, there were \$8,912,693 in unspent proceeds.

The following is a summary of the future debt service requirements to maturity for the Library Facilities Notes - Series 2024:

<u>Year Ending December 31,</u>	<u>Library Facilities Notes - Series 2024</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 700,000	\$ 563,876	\$ 1,263,876
2026	185,000	528,876	713,876
2027	195,000	519,626	714,626
2028	205,000	509,876	714,876
2029	215,000	499,626	714,626
2030-2034	1,255,000	2,325,130	3,580,130
2035-2039	1,600,000	1,978,130	3,578,130
2040-2044	2,040,000	1,536,380	3,576,380
2045-2049	2,615,000	960,488	3,575,488
2050-2053	<u>2,590,000</u>	<u>272,252</u>	<u>2,862,252</u>
Total	<u>\$ 11,600,000</u>	<u>\$ 9,694,260</u>	<u>\$ 21,294,260</u>

NOTE 9 - 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 2024, the Library obtained commercial insurance. Property insurance was for \$44,914,505 with a \$2,500 deductible. Valuable papers and records were for \$18,494,025 with a \$1,000 deductible. General liability for each occurrence is \$1,000,000 with an aggregate of \$2,000,000 limit and excess liability insurance with a \$5,000,000 limit. Automobile liability has a \$1,000,000 combined single limit of liability with a collision deductible of \$1,000 and a comprehensive deductible of \$1,000. Nonprofit Organization Directors and Officers Liability insurance was \$10,000,000 with a \$10,000 deductible.

There has not been a significant reduction in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

Workers Compensation coverage is provided by the State. 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.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) and Net OPEB Asset

The net pension liability (asset) and the net OPEB asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the Library's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Library does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed and the 2023 financial statements are not impacted. 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.

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Traditional plan state and local 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 at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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 member's original 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 3.00%. 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 3.00%.

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 20.00% 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.

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>State and Local</u>	
	<u>Traditional</u>	<u>Combined</u>
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	<u>0.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>

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

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The Library's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,070,573 for 2024. Of this amount, \$42,817 is reported as intergovernmental payable.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability (asset) was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	Total
Proportion of the net pension liability/asset prior measurement date	0.03887200%	0.07401100%	
Proportion of the net pension liability/asset current measurement date	<u>0.05172400%</u>	<u>0.07080900%</u>	
Change in proportionate share	<u>0.01285200%</u>	<u>-0.00320200%</u>	
Proportionate share of the net pension liability	\$ 13,541,555	\$ -	\$ 13,541,555
Proportionate share of the net pension asset	-	(217,654)	(217,654)
Pension expense	2,714,213	15,986	2,730,199

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 221,326	\$ 8,821	\$ 230,147
Net difference between projected and actual earnings on pension plan investments	2,733,262	35,402	2,768,664
Changes of assumptions	-	8,084	8,084
Changes in employer's proportionate percentage/ difference between employer contributions	1,522,093	-	1,522,093
Contributions subsequent to the measurement date	1,035,510	35,063	1,070,573
Total deferred outflows of resources	<u>\$ 5,512,191</u>	<u>\$ 87,370</u>	<u>\$ 5,599,561</u>

	OPERS - Traditional	OPERS - Combined	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 21,530	\$ 21,530
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 21,530</u>	<u>\$ 21,530</u>

\$1,070,573 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2025.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	Total
2025	\$ 1,764,063	\$ 5,400	\$ 1,769,463
2026	1,357,610	9,744	1,367,354
2027	1,744,215	20,394	1,764,609
2028	(389,207)	(5,855)	(395,062)
2029	-	593	593
Thereafter	-	501	501
Total	<u>\$ 4,476,681</u>	<u>\$ 30,777</u>	<u>\$ 4,507,458</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20% for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Library's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 21,318,047	\$ 13,541,555	\$ 7,073,774
Combined Plan	(131,705)	(217,654)	(285,360)

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STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - POSTEMPLOYMENT BENEFITS

Net OPEB Asset

See Note 10 for a description of the net OPEB asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

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

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Group A	Group B	Group C
<i>Age and Service Requirements December 1, 2014 or Prior</i>	<i>Age and Service Requirements December 1, 2014 or Prior</i>	<i>Age and Service Requirements December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

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

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$5,844 for 2024. Of this amount, \$234 is reported as intergovernmental payable.

Net OPEB Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Library's proportion of the net OPEB liability was based on the Library's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability	
prior measurement date	0.03929800%
Proportion of the net OPEB asset	
current measurement date	<u>0.04318600%</u>
Change in proportionate share	<u>0.00388800%</u>
Proportionate share of the net OPEB asset	\$ (389,764)
OPEB expense	(60,029)

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 234,075
Changes of assumptions	100,345
Contributions subsequent to the measurement date	5,844
Total deferred outflows of resources	<u>\$ 340,264</u>

	<u>OPERS</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 55,475
Changes of assumptions	167,548
Changes in employer's proportionate percentage/ difference between employer contributions	31,687
Total deferred inflows of resources	<u>\$ 254,710</u>

\$5,844 reported as deferred outflows of resources related to OPEB resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2025.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year Ending December 31:	
2025	\$ (31,110)
2026	7,653
2027	182,205
2028	<u>(79,038)</u>
Total	<u>\$ 79,710</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate -

The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Library's proportionate share of the net OPEB liability/(asset)	\$ 214,203	\$ (389,764)	\$ (890,063)

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

Sensitivity of the Library's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Library's proportionate share of the net OPEB asset	\$ 405,948	\$ 389,764	\$ 371,400

NOTE 12 - CONTINGENCIES

A. Grants

The Library receives significant financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the Library at December 31, 2024.

B. Litigation

The Library is not a party to legal proceedings.

NOTE 13 - OTHER COMMITMENTS

A. Other Commitments

The Library utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Library's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 304,038
Capital projects	8,462,201
Capital fund - Main Library	<u>170,038</u>
Total	<u>\$ 8,936,277</u>

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - OTHER COMMITMENTS - (Continued)

B. Contractual Commitments

The Library had the following contractual commitments outstanding at December 31, 2024:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
Fred Olivieri Construction	\$ 11,490,008	\$ (2,983,564)	\$ 8,506,444
HBM Achitects	12,782,126	(3,323,818)	9,458,308
Total Contractual Commitments	<u>\$ 24,272,134</u>	<u>\$ (6,307,382)</u>	<u>\$ 17,964,752</u>

NOTE 14 - FUND BALANCES

Fund balance is classified as 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable for				
Materials and supplies	\$ 26,285	\$ -	\$ -	\$ 26,285
Prepayments	22,742	-	-	22,742
<i>Total Nonspendable</i>	<u>49,027</u>	<u>-</u>	<u>-</u>	<u>49,027</u>
Restricted for				
Library programs	-	-	207,249	207,249
Library materials	-	-	39,827	39,827
Debt service	-	-	938,081	938,081
Capital projects	-	8,912,693	-	8,912,693
<i>Total Restricted</i>	<u>-</u>	<u>8,912,693</u>	<u>1,185,157</u>	<u>10,097,850</u>
Committed to				
Library materials	-	-	1,954	1,954
Capital projects	-	-	4,572,831	4,572,831
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>4,574,785</u>	<u>4,574,785</u>
Assigned to				
Capital projects	-	6,608,218	-	6,608,218
Debt service	-	-	3,287,168	3,287,168
Encumbrance	344,302	-	-	344,302
<i>Total Assigned</i>	<u>344,302</u>	<u>6,608,218</u>	<u>3,287,168</u>	<u>10,239,688</u>
Unassigned	<u>13,758,943</u>	<u>-</u>	<u>-</u>	<u>13,758,943</u>
<i>Total Fund Balances</i>	<u>\$ 14,152,272</u>	<u>\$ 15,520,911</u>	<u>\$ 9,047,110</u>	<u>\$ 38,720,293</u>

REQUIRED SUPPLEMENTARY INFORMATION

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Property and other local taxes	\$ 12,257,887	\$ 12,257,887	\$ 11,591,513	\$ (666,374)
Public library fund	8,071,224	8,071,224	7,641,257	(429,967)
Patron fines and fees	324,846	324,846	307,541	(17,305)
Intergovernmental	385,599	385,599	378,436	(7,163)
Contributions, gifts and donations	79,691	79,691	75,446	(4,245)
Earnings on investments	467,898	467,898	442,972	(24,926)
Other	118,288	118,288	111,987	(6,301)
Total budgetary revenues	<u>21,705,433</u>	<u>21,705,433</u>	<u>20,549,152</u>	<u>(1,156,281)</u>
Budgetary expenditures:				
Current:				
Salaries and benefits	10,700,000	10,700,000	10,568,023	(131,977)
Supplies	571,281	571,281	538,354	(32,927)
Purchased and contracted services	3,604,523	3,604,523	3,534,957	(69,566)
Library materials and information	2,640,327	2,640,327	2,586,803	(53,524)
Other	62,877	62,877	52,293	(10,584)
Capital outlay	87,770	87,770	62,145	(25,625)
Total budgetary expenditures	<u>17,666,778</u>	<u>17,666,778</u>	<u>17,342,575</u>	<u>(324,203)</u>
Budgetary excess of revenues over expenditures	<u>4,038,655</u>	<u>4,038,655</u>	<u>3,206,577</u>	<u>(832,078)</u>
Net change in fund balances	4,038,655	4,038,655	3,206,577	(832,078)
Budgetary fund balances at beginning of year	9,263,871	9,263,871	9,263,871	-
Prior year encumbrances appropriated	387,488	387,488	387,488	-
Budgetary fund balance at end of year	<u>\$ 13,690,014</u>	<u>\$ 13,690,014</u>	<u>\$ 12,857,936</u>	<u>\$ (832,078)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
LIBRARY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - TRADITIONAL PLAN

LAST THREE AND FOUR FISCAL YEARS

Calendar Year (1)	Library's Proportion of the Net Pension Liability	Library's Proportionate Share of the Net Pension Liability	Library's Covered Payroll	Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.051724000%	\$ 13,541,555	\$ 7,871,507	172.03%	79.01%
2023	0.038872000%	11,482,806	6,198,079	185.26%	75.74%
2022	0.037104000%	3,228,198	5,538,343	58.29%	92.62%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Library's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,035,510	\$ (1,035,510)	\$ -	\$ 7,396,500	14.00%
2023	1,102,011	(1,102,011)	-	7,871,507	14.00%
2022	867,731	(867,731)	-	6,198,079	14.00%
2021	775,368	(775,368)	-	5,538,343	14.00%

(1) Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
LIBRARY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - COMBINED PLAN

LAST THREE AND FOUR FISCAL YEARS

Calendar Year (1)	Library's Proportion of the Net Pension Asset	Library's Proportionate Share of the Net Pension Asset	Library's Covered Payroll	Library's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.070809000%	\$ 217,654	\$ 325,142	66.94%	144.55%
2023	0.074011000%	174,436	342,514	50.93%	137.14%
2022	0.080092000%	315,567	365,136	86.42%	169.88%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Library's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 35,063	\$ (35,063)	\$ -	\$ 292,192	12.00%
2023	39,017	(39,017)	-	325,142	12.00%
2022	47,952	(47,952)	-	342,514	14.00%
2021	51,119	(51,119)	-	365,136	14.00%

(1) Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
LIBRARY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE AND FOUR FISCAL YEARS

Fiscal Year (1) (2)	Library's Proportion of the Net OPEB Liability/(Asset)	Library's Proportionate Share of the Net OPEB Liability/(Asset)	Library's Covered Payroll	Library's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.043186000%	\$ (389,764)	\$ 8,196,649	4.76%	107.76%
2023	0.039298000%	247,781	6,540,593	3.79%	94.79%
2022	0.037857000%	(1,185,739)	5,903,479	20.09%	128.23%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Library's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 5,844	\$ (5,844)	\$ -	\$ 7,688,692	0.08%
2023	6,503	(6,503)	-	8,196,649	0.08%
2022	-	-	-	6,540,593	0.00%
2021	-	-	-	5,903,479	0.00%

(1) Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

Note: Information prior to 2021 was unavailable. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 - BUDGETARY PROCESS

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 3,206,577
Net adjustment for revenue accruals	(101,969)
Net adjustment for expenditure accruals	(1,642,928)
Net adjustment for other sources/uses	1,551,941
Adjustments for encumbrances	<u>568,015</u>
GAAP Basis	<u><u>\$ 3,581,636</u></u>

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.

**STARK COUNTY DISTRICT LIBRARY
STARK COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) the investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO AUDITOR OF STATE KEITH FABER

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

Stark County District Library
Stark County
715 Market Avenue North
Canton, Ohio 44702

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stark County District Library, Stark County, Ohio (the Library), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated January 21, 2026. We also noted the Library adopted new accounting guidance in *Governmental Accounting Standards Board Statement No. 101, Compensated Absences*.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 21, 2026

OHIO AUDITOR OF STATE KEITH FABER



STARK COUNTY DISTRICT LIBRARY

STARK 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 2/10/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov