THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2026**

Rating: **S&P: AA-**
**See "RATING" herein.**

**NEW ISSUE – BOOK-ENTRY FORM ONLY**

*In the opinion of Bricker Graydon Wyatt LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations and (ii) interest on and any profit made on the sale, exchange or other disposition of the Notes are exempt from certain taxes levied by the State of Ohio and its political subdivisions. The Library has designated the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Interest on the Notes may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Notes. For a more complete discussion of the tax aspects, see "TAX MATTERS."*

# OFFICIAL STATEMENT

**$5,750,000***

# GEAUGA COUNTY PUBLIC LIBRARY

## GEAUGA COUNTY, OHIO

## Library Facilities Notes, Series 2026

## (Special Obligation)

Dated: Date of Delivery — Due: December 1, as shown on the inside cover

The Library Facilities Notes, Series 2026 (the "Notes") are special obligations of the Geauga County Public Library, Geauga County, Ohio, a school district library (the "Library"), secured by a pledge of the Library's allocation from the Public Library Fund as described herein. The Notes are not secured by the full faith and credit of the Library or by any revenues of the Library other than those which are specially pledged. (See "SECURITY AND SOURCE OF PAYMENT FOR THE LIBRARY'S SPECIAL OBLIGATION DEBT" herein.) Terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined have the meanings given to them under "DEFINITIONS."

Interest on the Notes will be payable at the respective rates shown on the inside cover herein on June 1 and December 1 of each year beginning June 1, 2027*, to the Noteholders of record as of the record dates described in the Note Resolution (as defined herein).

Principal of the Notes will be payable at the designated corporate trust office of Zions Bancorporation, National Association, as note registrar, paying agent and transfer agent for the Notes.

The Notes will be issuable as fully registered notes without coupons in the denominations set forth herein. The Notes will be issuable under a book-entry only method and registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no physical delivery of the Notes to the ultimate purchasers. Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has satisfied the requirements of DTC for the Notes to be eligible for its book-entry services. (See "BOOK-ENTRY ONLY SYSTEM").

The Notes maturing after December 1, 20__* are subject to optional redemption prior to stated maturity, as set forth herein. The Notes maturing on December 1, 2038*, December 1, 2040*, December 1, 2042*, December 1, 2044*, December 1, 2046*, December 1, 2048* and December 1, 2053* will be subject to mandatory sinking fund redemption prior to stated maturity as set forth herein. (See "THE NOTES – Redemption Provisions").

The Notes are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice.

Certain legal matters relating to the issuance of the Notes are subject to the approving opinion of Bricker Graydon Wyatt LLP, Bond Counsel. (See "LEGAL MATTERS" and "TAX MATTERS").

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Notes. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement has been prepared by the Library in connection with the original offering for sale by it of the Notes. It is expected that delivery of the Notes in definitive form will be made through DTC on or about August 27, 2026*. The date of this Official Statement is August 6, 2026*, and the information herein speaks only as of that date.

STIFEL

* Preliminary, subject to change.

**$5,750,000***
**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY, OHIO**
**Library Facilities Notes, Series 2026**
**(Special Obligation)**

**$1,335,000* SERIAL NOTES**

| Year* | Principal Maturing* | Interest Rate | Price | CUSIP[1] |
|---|---|---|---|---|
| 2027 | $130,000 | | | |
| 2028 | 110,000 | | | |
| 2029 | 115,000 | | | |
| 2030 | 120,000 | | | |
| 2031 | 125,000 | | | |
| 2032 | 135,000 | | | |
| 2033 | 140,000 | | | |
| 2034 | 145,000 | | | |
| 2035 | 155,000 | | | |
| 2036 | 160,000 | | | |

**$350,000***
**____% TERM NOTES MATURING DECEMBER 1, 2038*, PRICE ___%, CUSIP ________[1]**

**$390,000***
**____% TERM NOTES MATURING DECEMBER 1, 2040*, PRICE ___%, CUSIP ________[1]**

**$425,000***
**____% TERM NOTES MATURING DECEMBER 1, 2042*, PRICE ___%, CUSIP ________[1]**

**$470,000***
**____% TERM NOTES MATURING DECEMBER 1, 2044*, PRICE ___%, CUSIP ________[1]**

**$515,000***
**____% TERM NOTES MATURING DECEMBER 1, 2046*, PRICE ___%, CUSIP ________[1]**

**$570,000***
**____% TERM NOTES MATURING DECEMBER 1, 2048*, PRICE ___%, CUSIP ________[1]**

**$1,695,000***
**____% TERM NOTES MATURING DECEMBER 1, 2053*, PRICE ___%, CUSIP ________[1]**

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* Preliminary, subject to change.

**$5,750,000***
**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY, OHIO**
**LIBRARY FACILITIES NOTES, SERIES 2026**
**(Special Obligation)**



* Preliminary, subject to change.

## REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Library Facilities Notes, Series 2026 (the "Notes") of the Geauga County Public Library, Geauga County, Ohio, a school district library (the "Library") identified on the Cover. No person has been authorized by the Library to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the Library. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the Library and other sources that are believed to be reliable for purposes of this Official Statement. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Library since the date hereof. In accordance with Section (f)(3) of the Rule, the Library may provide additional or updated financial information and/or operating data about the Library in a document or documents filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") website, and any such documents are hereby included by specific reference through the date that the Notes are delivered to DTC.

Certain information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The Library takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. In the absence of an express statement to the contrary, none of such information is incorporated herein by reference.

The CUSIP data on the Cover has been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by FactSet Research Systems Inc. CUSIP is a registered trademark of the ABA. CUSIP data is being provided solely for the convenience of the owners of the Notes and only at the time of issuance of the Notes. The Library, Bond Counsel, and the Underwriter are not responsible for the selection or use of these CUSIP data and make no representation with respect to such data or undertake any responsibility for its accuracy now or at any time in the future. CUSIP data is subject to being changed after the issuance of the Notes as a result of subsequent actions and events.

Certain information in this Official Statement is attributed to the Ohio Municipal Advisory Council ("OMAC"). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE NOTES WILL NOT BE REGISTERED BY THE LIBRARY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE

COMMISSION, NOR HAS ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY, EXCEPT THE BOARD OF TRUSTEES OF THE LIBRARY, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE NOTES FOR SALE. **THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF, THE NOTES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.**

## INVESTMENT CONSIDERATIONS

### General

The Notes, like other obligations of state and local governments, are subject to changes in value due to changes in the condition of the market for tax-exempt obligations or changes in the financial position of the Library.

It is possible under certain market conditions, or if the financial condition or credit profile of the Library should change, that the market price of the Notes could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of the rating on the Notes shown on the Cover, see "RATING."

With regard to the risk involved in a loss of the exclusion from gross income for purposes of federal income taxation of interest payable on the Notes, see "TAX MATTERS."

Prospective purchasers of the Notes should consult their own tax advisors prior to any purchase of the Notes as to the impact of the Internal Revenue Code of 1986, as amended (the "Code"), upon their acquisition, holding or disposition of the Notes.

### Market for the Notes

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Notes. There is presently no assurance that a secondary market for the Notes will develop or, if developed, will not be disrupted. Consequently, investors may not be able to resell the Notes purchased should they need or wish to do so for emergency or other purposes.

### Investment Suitability of Tax-Exempt Obligations

A primary test of the suitability of a tax-exempt obligation (such as the Notes) for an individual investor is a comparison of the yield the investor would have to earn on a taxable obligation to equal a tax-exempt yield in his or her income tax bracket. Individuals should consult with brokers or qualified financial or tax advisors to determine the taxable equivalent yield they could expect given their particular tax circumstances.

### Prepayments of Principal

The Library may prepay certain maturities of the principal of the Notes without penalty. (See "THE NOTES – Redemption Provisions - Optional Redemption"). If such Notes were to be prepaid before scheduled maturity, the investor would not receive the anticipated yield through the scheduled maturity date. In such a prepayment situation there is no guarantee that the investor could reinvest the proceeds and receive a comparable yield for the period remaining until the scheduled maturity of the Notes. The investor, therefore, may receive a lower total return for the period beginning on the date of purchase through the scheduled date of maturity than anticipated.

**Considerations Regarding Real Property Tax Reform**

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors, and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein, which may serve as a source of operating revenue for the Library and which may have a materially adverse effect on the market value of the Notes.

For example, a ballot initiative to amend the Ohio Constitution to abolish property taxes, the title and summary of which were certified by the Ohio Attorney General on May 9, 2025 and the Ohio Ballot Board on May 14, 2025, is currently being circulated for signatures to place it on the November 2027 ballot. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election. Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State's Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition.

There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Notes, will not have a materially adverse effect on the market value or marketability of the Notes or the financial condition of the Library. Prospective purchasers of the Notes should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives, and court proceedings, as to all of which the Library, Bond Counsel, and the Underwriter express no opinion.

## NOTE ISSUE SUMMARY

The information contained in this Note Issue Summary is qualified in its entirety by the entire Official Statement, which should be reviewed in its entirety by potential investors.

| | |
|---|---|
| **Issuer:** | Geauga County Public Library, Geauga County, Ohio |
| **Issue:** | $5,750,000* Library Facilities Notes, Series 2026 (the "Notes") |
| **Dated Date:** | Date of Delivery |
| **Interest Payment Dates:** | Interest on Notes will be paid each June 1 and December 1, beginning June 1, 2027*. |
| **Principal Payment Dates:** | Serial Notes: December 1, 2027* through December 1, 2036*, inclusive;<br>Term Notes: December 1, 2038*, December 1, 2040*, December 1, 2042*, December 1, 2044*, December 1, 2046*, December 1, 2048* and December 1, 2053*. |
| **Redemption:** | The Notes maturing after December 1, 20__* are subject to redemption at the option of the Library, either in whole or in part, in such order of maturity as the Library shall determine, on any date on or after December 1, 20__*, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption. (See "THE NOTES – Redemption Provisions – Optional Redemption").<br><br>The Notes maturing on December 1, 2038*, December 1, 2040*, December 1, 2042*, December 1, 2044*, December 1, 2046*, December 1, 2048*, and December 1, 2053* are subject to mandatory sinking fund redemption prior to stated maturity. (See "THE NOTES – Redemption Provisions – Mandatory Sinking Fund Redemption"). |
| **Purpose:** | The Notes are issued for the purchasing, leasing, constructing, remodeling, renovating and otherwise improving, equipping and furnishing library facilities and other real property (the "Project"). |
| **Security:** | The Notes will be special obligations of the Library and the principal of and interest on the Notes is payable solely from the pledge of the Library's allocation from the Public Library Fund, as defined herein. |
| **Credit Rating:** | The Library has received a rating on the Notes of "AA-" from S&P Global Ratings, a division of S&P Global Inc. ("S&P") (See "RATING"). |
| **Tax Matters:** | In the opinion of Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations and (ii) interest on and any profit made on the sale, exchange or other disposition of the Notes are exempt from certain taxes levied by the State of Ohio and its political subdivisions. Interest on the Notes may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Notes. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein. |
| **Bank Qualification:** | The Library has designated the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. |
| **Legal Opinion:** | Bricker Graydon Wyatt LLP |

* Preliminary, subject to change.

| | |
|---|---|
| **Underwriter:** | Stifel, Nicolaus & Company, Incorporated |
| **Note Registrar and Paying Agent:** | Zions Bancorporation, National Association. |
| **Book-Entry System:** | The Notes are being issued as fully registered Notes in book-entry form only and book-entry interests therein will be available for purchase in amounts of $5,000 and integral multiples thereof. Owners of book-entry interests will not receive physical delivery of Note certificates. DTC or its nominee will receive all payments with respect to the Notes from the Note Registrar. DTC is required by its rules and procedures to remit such payments to its participants for subsequent disbursement to owners of the book-entry interests. |
| **Delivery and Payment:** | It is expected that delivery of the Notes in definitive form will be made through DTC on or about August 27, 2026*. The Notes will be released to the Underwriter against payment in federal funds. |
| **Library Official:** | Questions concerning the Official Statement should be directed to Lisa Havlin, Fiscal Officer, Geauga County Public Library, 12701 Ravenwood Drive, Chardon, Ohio 44024, telephone: 440-286-6811 ext. 2504. |

* Preliminary, subject to change.

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**$5,750,000***
**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY, OHIO**
**LIBRARY FACILITIES NOTES, SERIES 2026**
**(Special Obligation)**

## INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Library Trustees (the "Board") of the Geauga County Public Library, Geauga County, Ohio (the "Library"), in connection with the original issuance and sale by the Library of the Notes identified on the Cover.

All financial and other information presented herein has been provided by the Library from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Library. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Certain statements contained in this Official Statement, including, without limitation, statements containing the words "believes," "anticipates," "expects" and words of similar import, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Library to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, general economic conditions, demographic changes, and existing government regulations and changes in, or the failure to comply with, government regulations. Certain of these factors are discussed in more detail elsewhere in this Official Statement. Given these uncertainties, readers of this Official Statement and investors are cautioned not to place undue reliance on such forward-looking statements.

This Official Statement should be considered in its entirety and no subject discussed should be considered less important than any other subject by reason of its location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the "Revised Code") or uncodified, the Ohio Constitution, or federal law, are references to such provisions as they presently exist. Provisions of Ohio law, the Ohio Constitution and federal law may in the future, and from time to time, be amended, repealed or supplemented.

Additional information relating to the financial condition of the Library may be obtained by contacting the Fiscal Officer, Lisa Havlin, Geauga County Public Library, 12701 Ravenwood Drive, Chardon, Ohio 44024, telephone: 440-286-6811 ext. 2504.

* Preliminary, subject to change.

## DEFINITIONS

The following capitalized terms, as used in this Official Statement and the Appendices attached hereto, have the following meanings unless otherwise indicated:

"**Annual Report**" means any continuing disclosure annual report provided by the Library referred to in this Official Statement and any appendix hereto, which Annual Reports are intended to satisfy the annual financial information requirements of the Rule and Section (b)(5)(i)(A) therein.

"**Bankruptcy Code**" means Title 11 of the United States Code.

"**Board**" means the Board of Library Trustees.

"**Bond Counsel**" means Bricker Graydon Wyatt LLP.

"**City**" means the City of Chardon, Ohio.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**County**" means Geauga County, Ohio.

"**County Auditor**" means the County Auditor of the County.

"**County Treasurer**" means the County Treasurer of the County.

"**Cover**" means the cover page and the inside cover of this Official Statement.

"**Fiscal Officer**" means the Fiscal Officer of the Board.

"**Fiscal Year**" means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as "Fiscal Year 2026") means the Fiscal Year ending on December 31 in that year.

"**General Assembly**" means the legislature of the State, and it consists of the Ohio House of Representatives and the Ohio Senate.

"**Library**" means the Geauga County Public Library, Geauga County, Ohio.

"**Note Registrar**" means Zions Bancorporation, National Association.

"**Notes**" means the Library's $5,750,000[*] Library Facilities Notes, Series 2026, dated August 27, 2026[*].

"**OMAC**" means the Ohio Municipal Advisory Council.

"**Project**" means purchasing, leasing, constructing, remodeling, renovating and otherwise improving, equipping and furnishing library facilities and other real property.

"**Revised Code**" means the Ohio Revised Code, as amended.

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[*] Preliminary, subject to change.

“**Rule**” means Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” or “**Ohio**” means the State of Ohio.

“**State Auditor**” means the Auditor of the State.

“**Tax Commissioner**” means the Tax Commissioner of the State.

“**Underwriter**” means Stifel, Nicolaus & Company, Incorporated.

## THE NOTES

### Authorization and Purpose

The Notes are authorized by a resolution of the Board passed on May 19, 2026 (the “Note Resolution”).

The Notes are issued pursuant to Section 3375.404 of the Revised Code and are, therefore, lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, subdivisions and taxing districts, the Commissioners of the Sinking Fund of the State, the Administrator of Workers’ Compensation, the State Teachers, Public Employees, and School Employees Retirement Systems, and the Police and Firemen’s Disability and Pension Fund, and are eligible as security for the repayment of the deposit of public moneys.

The Notes are issued for the purpose of the Project.

Under Ohio law, the maximum maturity of the Notes is 30 years.

### Form and Terms

The Notes will be issued in fully registered form and the Notes (as shown on the Cover) will bear interest from such date until maturity or earlier redemption, at the rates per annum as set forth on the Cover, payable on June 1 and December 1 of each year commencing June 1, 2027*, and will mature on December 1 in the years as indicated on the Cover. The Notes will be issued in denominations of $5,000 or any integral multiple thereof, provided that, so long as the Notes shall be in book-entry form and held by a depository, each Note will be of a single maturity (or interest rate within a maturity), and will be numbered as determined by the Fiscal Officer.

Principal of the Notes (as shown on the Cover) will be payable at maturity, in lawful money of the United States of America, at the designated corporate trust office of Zions Bancorporation, National Association, which has been designated by the Board as note registrar, paying agent, and transfer agent for the Notes (the “Note Registrar”). Interest on the Notes will be payable to the person whose name appears as the registered holder thereof on the registration records maintained by the Note Registrar, on the respective Record Date (15th day next preceding an interest payment date) by wire or check sent to such registered holder at the address of such registered holder as it appears on the registration records. No deduction shall be made for exchange, collection, or service charges.

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* Preliminary, subject to change.

**Redemption Provisions***

Mandatory Sinking Fund Redemption

The Notes maturing on December 1, 2038 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| Year | Principal Amount to be Redeemed |
|---|---|
| 2037 | $170,000 |

The remaining principal amount of such Term Notes ($180,000) will be paid at stated maturity on December 1, 2038.

The Notes maturing on December 1, 2040 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| Year | Principal Amount to be Redeemed |
|---|---|
| 2039 | $190,000 |

The remaining principal amount of such Term Notes ($200,000) will be paid at stated maturity on December 1, 2040.

The Notes maturing on December 1, 2042 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| Year | Principal Amount to be Redeemed |
|---|---|
| 2041 | $205,000 |

The remaining principal amount of such Term Notes ($220,000) will be paid at stated maturity on December 1, 2042.

The Notes maturing on December 1, 2044 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| Year | Principal Amount to be Redeemed |
|---|---|
| 2043 | $230,000 |

* Preliminary, subject to change.

The remaining principal amount of such Term Notes ($240,000) will be paid at stated maturity on December 1, 2044.

The Notes maturing on December 1, 2046 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| **Year** | **Principal Amount to be Redeemed** |
|---|---|
| 2045 | $250,000 |

The remaining principal amount of such Term Notes ($265,000) will be paid at stated maturity on December 1, 2046.

The Notes maturing on December 1, 2048 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the principal amount as follows:

| **Year** | **Principal Amount to be Redeemed** |
|---|---|
| 2047 | $280,000 |

The remaining principal amount of such Term Notes ($290,000) will be paid at stated maturity on December 1, 2048.

The Notes maturing on December 1, 2053 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the respective principal amounts as follows:

| **Year** | **Principal Amount to be Redeemed** |
|---|---|
| 2049 | $305,000 |
| 2050 | 320,000 |
| 2051 | 340,000 |
| 2052 | 355,000 |

The remaining principal amount of such Term Notes ($375,000) will be paid at stated maturity on December 1, 2053.

Optional Redemption

The Notes maturing after December 1, 20__ are subject to redemption at the option of the Library, either in whole, or in part, in such order as the Library shall determine, on any date on or after December 1, 20__, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

When partial redemption is authorized, the Notes or portions thereof will be selected by lot within a maturity in such manner as the Note Registrar may determine, provided, however, that the portion of any such Note so selected will be in the amount of $5,000 or any integral multiple thereof.

The notice of the call for redemption of Notes shall identify (i) by designation, letters, numbers or other distinguishing marks, such Notes or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date, interest on such Notes (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail to each such registered holder at the address shown in the Note registration records at least 30 days prior to the redemption date. Failure to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any such Note.

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Notes will be applied as follows:

| | |
|---|---|
| **Sources** | |
| Par value of the Notes | $5,750,000.00* |
| [Net] original issue premium | |
| | |
| **Total Sources** | |
| | |
| **Uses** | |
| Deposit to Project Fund | |
| Deposit to Bond Retirement Fund | |
| Costs of issuance[1] | |
| | |
| **Total Uses** | |

## SECURITY AND SOURCE OF PAYMENT FOR THE LIBRARY'S SPECIAL OBLIGATION DEBT

The Notes are special obligations of the Library, secured by a pledge of the Library's allocation of the Public Library Fund (the "PLF") pursuant to Section 3375.404 of the Ohio Revised Code. The Notes are not secured by the full faith and credit of the Library or by any revenues of the Library other than those which are specially pledged.

### Public Library Fund Receipts

Revised Code Section 3375.404 permits a board of public library trustees that receives an allocation of the PLF pursuant to Section 5705.32 and Chapter 5747 of the Revised Code to anticipate a portion of its proceeds from the PLF distribution, and available proceeds of a property tax levied under Revised Code Section 5705.23, and issue library fund notes to finance the purchase of real or personal property, including motor vehicles, and the purchase, construction and renovation of buildings and additions to buildings necessary for the proper maintenance and operation of the libraries under its control. A series of notes may be issued only if the maximum aggregate amount of notes that will be outstanding after such issue does not exceed an amount which requires or is estimated to require aggregate annual debt service charges on the notes by a board of public library trustees to exceed 40% of the average of the library's PLF distribution received for the two calendar years immediately preceding the year in which notes are issued and the property tax levy proceeds pledged for debt service charges.

The Notes are to be paid by the Library solely from its distribution of the PLF, and the security pledged to the payment by the Library of debt charges on the Notes is secured by a pledge of the PLF collections received by the Library ("PLF Receipts"). The Notes receive a first pledge of lien on the PLF Receipts pursuant to Revised Code Section 3375.404, subject to Chapter 9 of the Bankruptcy Code and other laws affecting creditors' rights. See "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Public Library Fund" for a discussion of the PLF and the allocation of funds therefrom. A table showing the Library's historic PLF distributions is set forth under "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Public Library Fund" in APPENDIX A.

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* Preliminary, subject to change.

[1] Includes Underwriter's compensation, rating fees, Note Registrar fees, OMAC fees, legal fees and other miscellaneous expenses.

THE NOTES ARE NOT GENERAL OBLIGATIONS OF THE LIBRARY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF AND ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE LIBRARY OR BY ANY REVENUES OF THE LIBRARY OTHER THAN THE PUBLIC LIBRARY FUND RECEIPTS, AND THE NOTES ARE PAYABLE SOLELY FROM THE PUBLIC LIBRARY FUND RECEIPTS. THE NOTES SHALL BEAR A STATEMENT TO THAT EFFECT.

**Library Bankruptcy**

The Library may file for bankruptcy under Chapter 9 of the Bankruptcy Code if it meets certain prerequisites under both federal and State law. Section 109(c) of the Bankruptcy Code sets forth the requirements for a State political subdivision to file for bankruptcy protection. In addition to requiring the Library to be insolvent[1], the Library must be specifically authorized, in its capacity as a library or by name, to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter.[2] With regard to State law, Revised Code Section 133.36 requires that a political subdivision which desires to file bankruptcy seek and obtain permission of the Tax Commissioner.

The foregoing federal and State laws also permit an Ohio county to initiate Chapter 9 proceedings which, because a county collects certain revenues on behalf of a library (particularly ad valorem property taxes), may adversely affect the financial condition of such library.

## UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed, pursuant to the Note Purchase Agreement (the "Purchase Agreement") with the Library, dated August 6, 2026[*], to purchase all, but not less than all, of the Notes at a purchase price of $__________ (the "Purchase Price"), which is equal to the par amount of the Notes ($5,750,000.00[*]), plus [net] original issue premium ($__________), less Underwriter's discount ($__________).

The Underwriter is purchasing the Notes as originally issued for the purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealer banks and dealers depositing the Notes into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), and others at prices lower than the public offering prices noted on the Cover. The initial offering prices of the Notes may be changed, from time to time, by the Underwriter.

The Underwriter has agreed to wire funds to the Note Registrar at closing for further distribution by the Note Registrar, as disbursement agent, to pay certain costs of issuance of the Notes on behalf of the Library, including rating fees, legal fees, Note Registrar fees, OMAC fees and other miscellaneous expenses. The amount of $__________ shall be retained from the Purchase Price and deposited with the Note Registrar for this purpose and disbursed in accordance with instructions from the Library.

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[1] 11 U.S.C. Section 101(32)(C) requires that in order to be "insolvent" a library must not be paying its debts as they come due.
[2] *See* 11 U.S.C. Section 109(c)(2).
[*] Preliminary, subject to change.

The obligation of the Underwriter to accept delivery of the Notes is subject to various conditions of the Purchase Agreement. The Underwriter is obligated to purchase all of the Notes if any of the Notes are purchased.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Library and to persons and entities with relationships with the Library, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Library (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Library.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Library.

## RATING

As noted on the Cover, the Library has received a rating on the Notes from S&P Global Ratings ("S&P"), a division of S&P Global Inc., which has rated the Notes "AA-." No application for a rating has been made to any other rating agency.

The rating reflects only the views of such rating agency. Any explanation of the significance of the rating may only be obtained from such rating agency at S&P Global Ratings, a division of S&P Global Inc., 55 Water Street, New York, New York 10041, telephone (212) 438-2000; website: www.spglobal.com.

The Library furnished to the rating agency certain information and materials, some of which may not have been included in this Official Statement, relating to the Notes and the Library. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agencies. Such ratings are not recommendations to buy, sell or hold the Notes.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if, in the rating agency's judgment, circumstances so warrant. In addition, the Library currently expects to provide to the rating agency (but assumes no obligation to furnish to the Underwriter or the holders of the Notes) further information and materials that it or they may request. The Library does not, however, obligate itself hereby to furnish such information and materials, and may issue unrated bonds and notes from time to time. Failure by the Library to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of a rating agency's rating on the Notes. Any lowering, suspension or withdrawal of such rating may have an adverse effect on the marketability or market price of the Notes.

## LITIGATION

To the knowledge of the appropriate officials of the Library, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Notes, or the allocation of the Library's PLF Receipts to pay the debt service on the Notes, or contesting or questioning the proceedings and authority under which the Notes are to be authorized and are to be issued, sold, executed or delivered, or the validity of the Notes. A no-litigation certificate to such effect will be delivered to the Underwriter at the time of original delivery of the Notes to such Underwriter.

The Library is not a party to any legal proceedings seeking damages or injunctive relief.

## LEGAL MATTERS

Legal matters incident to the issuance of the Notes and with regard to the excludability of interest on the Notes from gross income for federal income tax purposes (see "TAX MATTERS" herein) are subject to the approving opinion of Bricker Graydon Wyatt LLP, Bond Counsel to the Library. A signed copy of that opinion will be delivered to the Underwriter at the time of original delivery. Assuming no change in applicable law prior to the date of delivery of such opinion, the opinion will be substantially in the form attached hereto as APPENDIX C. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to the date thereof.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to the accuracy, completeness or fairness of any of the statements in this Official Statement, including its appendices (other than APPENDIX C), or in any other reports, financial information, offering or disclosure documents or other information pertaining to the Library or the Notes that may be prepared or made available by the Library or others to the holders of the Notes or others.

## TAX MATTERS

### General

In the opinion of Bricker Graydon Wyatt LLP, Bond Counsel, under existing law interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Further, the Notes are not "private activity bonds" as defined in Section 141(a) of the Code.

Interest on the Notes, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio. Bond Counsel will express no opinion as to any other tax consequences regarding the Notes.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the Library and others, and the compliance with certain covenants of the Library, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The Library has designated the Notes as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Notes to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The Library has covenanted to take such actions that may be required of it for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Notes may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America, and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the owners of the Notes. Bond Counsel will express no opinion and make no representation regarding such consequences.

From time to time, legislative proposals are pending in the United States Congress that would, if enacted, alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Notes. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, as to all of which Bond Counsel expresses no opinion.

**Original Issue Discount**

Certain of the Notes may be sold to the public at a price of less than 100% of their face amount (the "Discount Notes"). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount Notes.

Under present federal income tax law, original issue discount (i.e., the difference between the issue price, as hereinafter defined, of a Discount Note and the stated redemption price at maturity of such Discount Note), is treated as accruing ("accreted") over the term of such Discount Note. The issue price is the price at which a substantial amount of the Discount Notes are sold to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount which is to be accreted in each "accretion period" will equal (i) the issue price of that Discount Note, increased by the amount of original issue discount which has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount Note reflected on the Cover (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus interest actually paid during such accretion period. For these purposes, "accretion period" means a six-month period (or shorter period from the date the Discount Note was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount Note or the date six months before such maturity date.

The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period. Such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount Note but is not included in such holder's gross income for federal income tax purposes. Consequently, a purchaser who buys a Discount Note in the initial offering at the issue price and holds such Discount Note to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Discount Note at maturity.

**Amortizable Note Premium**

Certain of the Notes may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the "Premium Notes"). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Notes.

Premium Notes will be considered to be issuable with amortizable note premium (the "Note Premium"). A taxpayer who acquires a Premium Note in the initial public offering will be required to adjust his or her basis in the Premium Note downward as a result of the amortization of the Note Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Note Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Note Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code.

No income tax deduction for the amount of amortizable Note Premium will be allowed to a holder pursuant to Section 171(a)(2) of the Code. The amortization of Note Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Notes. A purchaser of a Premium Note at its issue price in the initial public offering who holds that Premium Note to maturity will realize no gain or loss upon the retirement of such Premium Note.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM NOTES, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR ACCRETING ORIGINAL ISSUE DISCOUNT OR AMORTIZING PREMIUM FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

## BOOK-ENTRY ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and the Library takes no responsibility for the completeness or accuracy thereof. The Library cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (each as hereinafter defined) (a) payments of interest, principal, or premium, if any, with respect to the Notes, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Notes, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official*

*Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+." The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Notes. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Note Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Library as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Library or the Note Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Note Registrar, or the Library, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Library or the Note Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as a depository with respect to the Notes at any time by giving reasonable notice to the Library or the Note Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed (or otherwise produced) and delivered.

The Library may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed (or otherwise produced) and delivered to DTC. (See also "BOOK-ENTRY ONLY SYSTEM – Revision of Book-Entry Only System – Replacement Notes")

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Library believes to be reliable, but the Library takes no responsibility for the accuracy thereof.

**Revision of Book-Entry Only System – Replacement Notes**

The Note Resolution provides for issuance of fully registered Notes (the "Replacement Notes") directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Notes. In such event, the Library may in its discretion establish a securities depository/book entry relationship with another qualified securities depository. If the Library does not or is unable to do so, and after appropriate notice to DTC, the Library's Note Registrar will authenticate and deliver fully registered Replacement Notes, in the denominations of $5,000 or any multiple thereof, to or at the direction of and, if the event is not the result of Library action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. Replacement Notes may be transferred, registered and assigned only in the registration books of the Library's Note Registrar.

## TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings for the Notes, including an appropriate no-litigation certificate (described above under "LITIGATION"), will be delivered by the Library when the Notes are delivered by the Library to the Underwriter. The Library will at that time also provide to the Underwriter a certificate of the Fiscal Officer of the Library, in the form attached hereto as APPENDIX D, addressed to the Underwriter relating to the accuracy and completeness of this Official Statement.

## CONTINUING DISCLOSURE

The Library has agreed for the benefit of the holders and beneficial owners of the Notes to provide annual financial and operating information in its Annual Report, not later than September 30 of each year, and to provide notices of certain significant events, as listed in the Disclosure Certificate defined below. Concurrently with the delivery of the Notes, the Library will deliver a certificate of the Fiscal Officer of the Library (the "Disclosure Certificate"), in the form attached hereto as APPENDIX E, describing the nature of the information to be provided, the persons and entities to whom such information will be provided and the times at which such information will be provided. The Library's failure to comply with any undertaking contained in the Disclosure Certificate will not constitute an event of default under the Notes.

The Disclosure Certificate is being signed by the Library to assist the Underwriter in complying with the Rule. Specifically, the Library agrees to provide the Annual Report and notices of certain enumerated events to the Municipal Securities Rulemaking Board (the "MSRB") in the manner and format prescribed by the MSRB.

The Library has had two continuing disclosure undertakings (collectively, the "Undertakings") that were in effect for all or part of the previous five years. During the previous five years, the Library believes that it complied, in all material respects, with the Undertakings. The Library has retained Bond Counsel to assist it with complying with the Undertakings and the Disclosure Certificate.

## CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Library from official and other sources and is believed by the Library to be reliable, but information other than that obtained from official records of the Library has not been independently confirmed or verified by the Library and its accuracy is not guaranteed.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as or as part of a contract with the original purchasers or holders of the Notes.

This Official Statement has been duly prepared and delivered by the Library, and executed for and on behalf of the Library by the Board President and Fiscal Officer.

GEAUGA COUNTY PUBLIC LIBRARY
GEAUGA COUNTY, OHIO

By: ______________________________
Board President

By: ______________________________
Fiscal Officer

**APPENDIX A**

## THE GEAUGA COUNTY PUBLIC LIBRARY

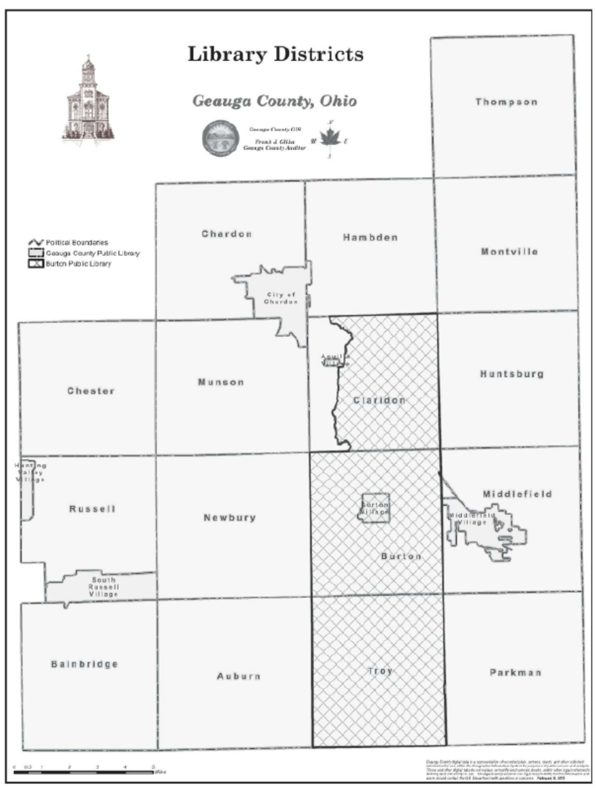
### General Information

The Geauga County Public Library (the "Library"), originally founded in 1848, is a county library district established in accordance with Section 3375.20 of the Ohio Revised Code. The Library serves all areas of the County of Geauga, Ohio (the "County"), with the exception of the southern portion of the Berkshire Local School District served by the Burton Public Library. More specifically, the Library includes the territories of the following school districts: Berkshire Local School District (except as stated above), Cardinal Local School District, Chardon Local School District, Kenston Local School District and West Geauga Local School District.

The Library has five full-size branches located in the townships of Bainbridge, Chardon, Chester, Middlefield, and Thompson. The Library also has a mobile services department consisting of two Bookmobiles and a vehicle for homebound patrons, and an Administrative Center that includes administration, technical processing, and finance and facilities departments, all as further described herein.

The Library is located in the County, approximately 35 miles east of the City of Cleveland in Northeast Ohio. The City of Chardon, Ohio (the "City"), the County seat, is located approximately 10 miles south of Lake Erie.

The Library's current service area within the County is shown on the following page.



The Library's estimated service area population was 85,791 in 2024, of which approximately 55% were registered Library cardholders. The County's population was 95,397 in 2020, according to U.S. Census estimates.

The Library is part of the Cleveland-Elyria Metropolitan Statistical Area ("MSA"), which consists of Cuyahoga County, Geauga County, Lake County, Lorain County, and Medina County. According to U.S. Census estimates, the population of the five-county MSA was 2,167,775 in 2025.

The Library's service area is approximately 340 square miles. Land use of the Library taxing district, as measured by the assessed value of real property in 2026, is presented in the following table.

**Land Use By Assessed Value of Real Property**
Geauga County Public Library
(2026 Collection Year)

| | Percent of Assessed Valuation of Real Property |
|---|---|
| Residential | 83.71% |
| Agricultural | 6.57 |
| Commercial | 7.17 |
| Industrial | 2.54 |
| Mineral | 0.01 |

Source: OMAC

The County is served by four U.S. Highways extending 57 miles in the County and 12 state highways extending 138 miles in the County. Because of the County's strategic location just east of the City of Cleveland with easy access to I-90, I-80 and I-271, a number of large freight carriers have locations in the County. The nearest commercial airport is Cleveland-Hopkins International Airport located approximately 45 miles west of the City. The County is also home to the Geauga County Airport, a public airport located in Middlefield, Ohio.

Banking and financial services are provided to the area by offices of local commercial banks and savings and loan associations.

Two weekly newspapers, The Geauga County Maple Leaf and The Geauga Times Courier, serve the County, as well as one local television station – Geauga TV, and one local radio station – WKHR – FM 91.5. Multichannel cable television service, including educational, governmental and public access channels, is provided by Spectrum Time Warner Cable.

There are five school districts located in the County. In addition, there is one university branch located in the County: Kent State University at Geauga. The County is served by two hospitals and several medical centers, including several clinics affiliated with the Cleveland Clinic.

The County operates and maintains approximately 3,000 acres of state parks, forests, nature preserves, scenic waterways and wildlife areas for recreation and enjoyment.

The Great Geauga County Fair is the State's oldest, continuously operating county fair, first held on October 23, 1823. In addition, the County's Maple Festival is held annually to celebrate the significant maple sugar production throughout the region.

The County is home to the second-largest Amish settlement in Ohio, and fourth-largest nationwide. The Village of Middlefield, Ohio is the center of commercial activity for the Amish population, where manufacturing represents the largest sector of the local economy.

## BOARD AND ADMINISTRATION

The Library Board is a body politic charged with the responsibility of managing and controlling the affairs of the Library and is, with the Library, governed by the general laws of the State. The Library Board is comprised of seven members appointed for overlapping terms expiring on June 30 according to State law. Three Library Board members are appointed by the judges of the Geauga County Court of Common Pleas and the remaining four are appointed by the County's Board of County Commissioners.

The present Library Board members are as follows:

**Library Officials**
Geauga County Public Library

| Official | Office | Expiration of Current Term | Years of Service |
|---|---|---|---|
| Crist Miller | President | 06/30/2030 | 3 |
| Joshua Hutchinson | Vice President | 06/30/2031 | 21 |
| Kristen Brickman | Secretary | 06/30/2028 | 5 |
| Karen Delano | Member | 06/30/2029 | 35 |
| Paul Newman | Member | 06/30/2027 | 41 |
| Kathryn Pitrone | Member | 06/30/2032 | 15 |
| Jake Yanchar | Member | 06/30/2030 | 15 |
| Lisa Havlin | Fiscal Officer | Contract | 20 |
| Kris Carroll | Director | Contract | 15 |

Source: Geauga County Public Library

The Library Director, appointed annually by the Library Board, is the executive officer of the Library and is responsible for all aspects of the administration of board policy, including: the preparation of the annual budget; representation of the Library at the annual budget hearings; the care and maintenance of library facilities; provision of public service; and the general operation of the Library under the financial conditions set forth in the annual appropriation resolution. At the direction of, or in the absence of the Library Director, the Assistant Director will assume any or all duties and functions of the Library Director.

The Fiscal Officer, appointed annually by the Library Board, is the treasurer of all Library funds and is responsible for the disbursing of funds as authorized by the Library Board. The Fiscal Officer prepares certain financial reports as directed by the Library Director or the Library Board, assists the Library Director in the preparation of the budget and in the presentation of the budget in the annual budget hearings.

## THE LIBRARY SYSTEM

### History

On August 26, 1848, the Library was organized as the Chardon Public Library at a meeting of interested persons at the Geauga County Courthouse. John French, County Recorder, was named Librarian. Donated books were originally housed in the County Recorder's Office and were administered as an association library with membership fees. The Library's collection grew and was moved several times before a village library was established in the old village hall in the City, and a library board was appointed in 1913. In 1929, the Chardon village council established the legal status of the Library as a municipal institution. Intangible taxes were received for the first time in 1936, and service to County schools also began that year.

Library extension services were established throughout the County during the succeeding years. A branch library was established in Middlefield Township in 1942 (the "Middlefield Branch"). Library service in Chester Township began in the late 1940s when a dedicated resident, Mary Eykyn, delivered books to the township's children at the Chester summer day camp in her own homemade version of a bookmobile – a modified baby buggy outfitted with bookshelves to hold around 100 books borrowed from the Library. A branch library was established in Chesterland in 1957 (the "Chester Library").

In 1963, the Library was designated a County District Library by the County Board at the request of the library board. A new seven-member Library Board of Trustees was created and the name "Geauga County Public Library" became its official designation.

The Library continued to grow with the establishment of the Bainbridge Library in Bainbridge Township, in 1965 (the "Bainbridge Branch"). The Chardon Library moved into its present building on Chardon Square in the City (the "Chardon Branch") and has been renovated several times over the years to meet service demands and space needs. The Chardon Branch houses the major genealogy and local history collection for the Library system in the Anderson Allyn Room. The Library received a letter of intent from New Covenant Fellowship (the "Fellowship") to purchase the Chardon Branch in June 2026. The offer provides that the Fellowship will pay the Library a total of $1,150,000 for the Chardon Branch and will permit the Library to use the building until the new Chardon Branch is completed. The Fellowship has agreed to pay $750,000 at closing, $200,000 one year after closing and $200,000 when the Library vacates the building.

The Library partners with the Geauga County Genealogical Society to provide the service and collection. The Thompson Library Station in the former Ledgemont High School opened in 1979 and operated until the Thompson Branch opened in 2020. Additionally, the Newbury Public Library Station opened in 1993 and operated until 2020.

Bookmobile service to townships and county residents not directly served by a library facility began in 1986 (the "Bookmobile"). An administrative center, providing adequate office space for administration and support services, was established in the former Chardon Post Office building in 1987 (the "Administrative Center"). The Readmobile serving Parkman and Newbury Townships on alternating weeks began service in 1990.

Voters in the West Geauga local school district in Chester Township approved a bond issue to build the Geauga West Library to replace the old Chester Library, in 1986 (the "Geauga West Branch"). The new library building was opened for service on May 22**,** 1989.

At the November 1991 general election, voters in the County approved a one-mill, continuing, operating levy. Proceeds from the new property tax were first included in the 1992 Library budget. In June 1992, a new Bookmobile began service.

The Library built a new Administrative Center on Ravenwood Road, south of Chardon to house the Library's support services, in February 1999, and moved out of the cramped, former post office building.

The voters in the Cardinal School District approved a bond issue to construct a new building for the Middlefield Branch in November 2001, and the new building opened in August 2004. The Bookmobile and outreach services were re-located from the Administrative Center to this new facility as well. The Bookmobile began serving patrons from a new vehicle in 2007.

The Library system experienced flat funding from the State throughout the late 1990s and into the early 2000s, which led to a return to the polls for a replacement levy, which was passed in 2007.

The Library migrated to "Koha", a graphical user interface and open-source ILS computer system, in 2008, replacing the text-based Dynix ILS System which was used for over 20 years for circulation, acquisitions and book collection inventory functions.

The Bainbridge and Geauga West Branches received interior face-lifts funded by a Library Services and Technology Act/Trading Spaces Grant awarded in 2007. The projects were successfully completed in 2008.

More cuts to State funding occurred in 2009, which led to reductions in Library services and staffing. A new, continuing, one-mill levy was approved by the voters in 2010, which resulted in the restoration of Library services and staffing in 2011.

The Library moved forward to build its e-content collection by subscribing to "Overdrive" for downloadable audio and e-books and expanded this collection in 2013 by subscribing to "Zinio", an e-magazine service. In 2014, "Hoopla" was added, which provides downloadable loans for movies, TV shows, music and audio books.

The Library celebrated its 50th anniversary in 2013 with the development of a major system-wide marketing plan. Also in 2013, the Library Board determined to migrate from the open-source Koha ILS system to a proprietary ILS system, with Innovative Interfaces, Inc. This vendor was selected in part because of the seamless link it developed to SearchOhio and OhioLink, for interlibrary loan providing access for Library cardholders to about six million items in Ohio public and academic libraries.

The Anderson Allyn Genealogy and Local History Room at Chardon Branch was renovated in 2014 to accommodate new tools and collection formats used for research funded by a gift to the Library Foundation.

In 2017, voters in the County passed a $24 million bond issue to improve Geauga County Public Library facilities. Renovations on Geauga West Branch and Middlefield Branch were completed in 2019. Construction of the Thompson Branch and Bainbridge Branch was completed in December 2020.

The construction of the new Chardon Branch is expected to cost $22 million. The Library has currently spent $1.5 million on the project and plans to contribute up to an additional $14.8 million. An early site package was approved by the Board in June 2026, and the Board expects to approve a guaranteed maximum price for construction in August 2026 with construction to begin in October 2026. Substantial completion of the building is scheduled for June 2028.

**General Information**

The Library is a County-wide system of five full-service branch libraries, two Bookmobiles that serve rural areas and community centers, a vehicle for homebound patrons, and the Administrative Center.

The Library offers a wide variety of services to its patrons. From traditional library services, such as library card applications and interlibrary loans, to other services such as voter registration and meeting room reservations, the Library strives to offer services that support its mission to be a resource center that provides and facilitates free access to collections of informational, entertainment and reading resources. The Library strives to meet the changing needs of its diverse communities.

The Library recognizes the need to grow and adapt as technology continues to shape the way patrons use traditional library facilities. While providing access to printed materials will always be a core service of the Library, providing access to technology services, expanding children's and adult-learning programs, and providing maker spaces and meeting spaces for teens and older adults in the community will be among the services that the Library will seek to expand in the coming years.

Library operations are funded primarily from proceeds of 2.00 mills of operating levy millage approved for a continuing period of time (see "AD VALOREM PROPERTY TAXES" herein) and distributions from the State Public Library Fund (see "PUBLIC LIBRARY FUND" herein).

The Library system currently has over 445,000 items in its physical collection and over one million items in its downloadable collection with a circulation of 3,011,954 in 2025. Featured in the collection are 365,931 books, 516 periodical subscriptions, 49,384 DVDs, and 10,744 sound records in the form of compact discs. The Library had over 451,000 patron visits in 2025. The Library is a member of the CLEVNET consortium, which provides Library patrons access to more than 12 million items. The Library also provided over 2,000 programs in 2025 covering a wide variety of topics of interest for all ages that attracted over 52,000 patrons. The Library is a member of OCLC, headquartered in Dublin, Ohio, which allows patrons to borrow resources from all over the world.

Library programming include the following:

- Children's programming, including story-time and other music, art and play activities;
- Adult programs such as author talks, book clubs, educational workshops, and concerts;
- Teen Advisory Councils, games and contests focused on grades 6-12;
- Summer reading programs for youth, teens and adults;
- Local history and genealogy programs;
- Maker space and technology programs and training.

The Library is committed to staying current with a wide range of technology. All buildings have free Wi-Fi that extends into the parking lots for use by Library patrons. The Library's 135 public computers were used over 63,000 times in 2025. Meeting rooms are available for public use at no charge. The Library has a social network presence through Facebook and Instagram.

**Employees**

The Library has 54 full-time and 103 part-time employees (representing a total of 92.83 FTEs). The Library has 20 professional librarians on staff.

In Fiscal Year 2025, the Library paid $4,442,002 for salaries and wages and $1,047,187 for benefits such as employer retirement system contributions, workers' and unemployment compensation, and medical insurance premiums. The Library does not engage in collective bargaining with any of its employees. The Library also provides health, dental, life insurance and employee-funded dependent care and flexible spending accounts to full-time employees through the Stark Council of Governments with a private carrier. The Library pays the State Workers' Compensation System a premium based on rate per $100 of salaries. The rate is calculated on accident history and administrative costs.

**Retirement Expenses**

Employees, present and retired, of the Library are covered under a statewide public retirement (including disability retirement) system, the Ohio Public Employees Retirement System ("OPERS"). OPERS is a cost sharing, multiple-employer plan, created by and operated pursuant to Ohio law. The Ohio General Assembly could amend the format of the funds, and revise contribution rates to be made by the Library, and revise benefits or benefit levels. Health care coverage is not statutorily guaranteed.

Currently, all employees of the Library are covered by OPERS. These employees contribute at a rate of 10% of earnable salary or compensation, and the Library contributes 14% of the same base.

The current employer contributions to OPERS have been and are presently treated as current expenses of the Library and included in its operating expenditures. OPERS issues a stand-alone financial report that may be obtained at www.opers.org or at the OPERS offices, 277 East Town Street, Columbus, Ohio 43215, or by calling (800) 222-7377.

Under the Consolidated Omnibus Reconciliation Act of 1985 (P.L. 99-272), public employers, including the Library, are subject to mandatory Medicare (hospital insurance tax or Federal Insurance Contributions Act tax) contributions of 1.45% of each covered employee's wage base. Covered employees include all employees (with limited exceptions) hired after March 31, 1986.

**Library Facilities**

The Library currently operates the following facilities:

**Library Facilities**
Geauga County Public Library

| Facility | Insured Value | Square Footage | Year Building Completed | Year(s) of Additions/ Renovations |
|---|---|---|---|---|
| Bainbridge Branch | $13,155,891 | 30,000 | 2020 | |
| Chardon Branch | 5,185,851 | 18,000 | 1970 | 1994; 2001; 2015 |
| Geauga West Branch | 6,713,429 | 20,800 | 1989 | 2019 |
| Middlefield Branch | 7,394,404 | 25,333 | 2004 | 2016, 2019 |
| Thompson Library | 6,576,800 | 8,500 | 2020 | |
| Mobile Services[1] | - | 4,000 | 2004 | 2016 |
| Administrative Center | 6,176,354 | 21,160 | 1997 | 2018 |

Library property is exempt from ad valorem taxation.

**The Project**

The Library plans to build a new facility to house the Chardon Branch as well as administrative offices. The new building will be 33,000 square feet with expanded library services that include a large children's area, meeting and study rooms as well as a maker space and messy program room. Additionally, the new building will house the administrative offices. This addition to the plan was made possible by a partnership between the Library and the County government. The County Commissioners of the County

[1] Mobile Services are included in the Middlefield Branch facilities.

approved the purchase of the current administrative building which will enable the County to create an updated senior center and allow the Library to reduce the number of buildings it owns and reduce ongoing maintenance and utility costs.

## ECONOMY AND EMPLOYMENT

### Economic Development

The County is a predominantly rural Northeastern Ohio County, located due south of Lake County and directly east of Cuyahoga County and the City of Cleveland. The County is comprised of sixteen townships, four villages and one city covering an area of approximately 404 square miles.

The County's geographic location in northeastern Ohio provides the largely manufacturing and agricultural economy with access to the nearby cities of Cleveland, Akron and Youngstown. The County is served by four U.S. Highways and 12 state highways, with access to I-90 to the North, I-80 to the South, and I-271 to the West of the County. The intersection of these major interstate highways and state routes places the County in one of the busiest trade corridors in North America for highway transportation, manufacturing, warehousing and distribution operations. Freight carriers provide the major mode of transporting goods, a number of which have facilities located here.

The nearest commercial airport is Cleveland-Hopkins International Airport located approximately 45 miles west of the City. Additionally, the Akron-Canton Airport is located approximately 60 miles to the southwest, and the Burke Lakefront Airport and Cuyahoga County Airport are both located within 30 miles of the City. The County is also home to the Geauga County Airport, a public airport located in Middlefield, Ohio.

The County's land resources provide many economic benefits. The County's 959 agricultural farms produce dairy, cattle, poultry and other products, and an abundance of wooded acres support the County's timber and non-timber industries, including the local maple syrup industry, which produced more than 35,000 gallons of maple syrup in 2016.

### Labor Force Statistics

The information presented in this section is included for informational purposes only. The following statistics are not seasonally adjusted. It should not be implied from the inclusion of such data in this Official Statement that the County is representative of the Library, or vice versa.

**Area Unemployment Rates**
(annual percentages)

| Year | Geauga County | MSA | State | United States |
|---|---|---|---|---|
| 2020 | 6.8 | 9.7 | 8.2 | 8.1 |
| 2021 | 4.1 | 5.8 | 5.3 | 5.3 |
| 2022 | 3.8 | 4.5 | 4.0 | 3.6 |
| 2023 | 3.1 | 3.7 | 3.7 | 3.6 |
| 2024 | 3.3 | 3.8 | 4.4 | 4.0 |
| 2025 | 3.5 | 4.0 | 4.6 | 4.3 |
| 2026 | 3.2[1] | 3.7[1] | 3.9[1] | 4.4[1] |

**Labor Force**

| Year | Geauga County |
|---|---|
| 2020 | 46,400 |
| 2021 | 47,700 |
| 2022 | 48,700 |
| 2023 | 49,100 |
| 2024 | 49,500 |
| 2025 | 50,000 |
| 2026 | 49,350[1] |

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information

### Largest Employers

The following table lists the largest employers in the County. It should not be implied from the inclusion of such data in this Official Statement that the Library is representative of the County, or vice versa.

**Largest Employers**
County of Geauga County, Ohio

| Rank | Employer | Number of Employees | Industry |
|---|---|---|---|
| 1 | Kraftmaid Cabinetry Inc./Masco Corp. | 1,425 | Manufacturer |
| 2 | University Hospital Health Systems | 1,141 | Hospital/Health Care |
| 3 | Wal-Mart | 816 | Retailer |
| 4 | Great Lakes Cheese Co., Incorporated | 703 | Cheese Packager |
| 5 | The County | 668 | Government |
| 6 | The HC Companies (Dillen Products/Myers) | 594 | |
| 7 | Chardon Local School District | 569 | School District |
| 8 | Kenston Local School District | 564 | School District |
| 9 | Giant Eagle | 554 | Retailer |
| 10 | West Geauga Local School District | 437 | School District |

Source: Geauga County, Ohio Annual Comprehensive Financial Report for the Year Ended December 31, 2023

[1] Preliminary average through June 2026.

## FINANCES OF THE LIBRARY

### Financial Reports and Examination of Accounts

The Library's fiscal year corresponds with the calendar year, beginning January 1 and ending December 31. The Board maintains its accounts, appropriations and other fiscal records on a cash basis.

The State Auditor is charged by law with the responsibility for auditing the financial statements of each taxing subdivision and most public agencies and institutions. This may be done on an agreed-upon procedures basis or a full audit basis pursuant to Revised Code Section 117.11, which limits agreed-upon procedures audits to three consecutive audit periods. A financial report for each fiscal year is required to be filed with the State Auditor pursuant to Revised Code Section 117.38. Such reports are required to be submitted to the State Auditor at the close of each fiscal year. The Library submits its audited reports on a biennial basis.

The most recent audit of the Library's financial statements by the State Auditor was completed through the Fiscal Years ended December 31, 2024 and December 31, 2025. The State Auditor did not make any management recommendations, require any adjustments, or make any findings for recovery. No bring-down procedures have been undertaken by the State Auditor since the date of the financial statements. The audited Financial Statements for the Fiscal Years Ended December 31, 2024 and December 31, 2025 are attached hereto as APPENDIX B.

Governmental Accounting Standards Board pronouncements and Financial Accounting Standards Board pronouncements are the principal sources used to determine the accounting principles employed under generally accepted accounting principles ("GAAP"). These publications, among other things, provide for a modified accrual basis of accounting for governmental funds and for a full accrual basis of accounting for proprietary funds and for each major and aggregated non-major fiduciary fund. The publications also further provide for the preparation of balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings/equity (major and aggregated non-major proprietary funds) and statement of cash flows. The principles further require preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management's discussion and analysis of major events and transactions during the year.

The Library has found that the cost of preparation of GAAP financial statements significantly exceeds the cost of non-GAAP financial statements. In the judgment of the Library, the application of GAAP does not produce financial statements that are materially more accurate than non-GAAP financial statements. In light of the higher cost, absence of a material benefit, and lack of State aid to pay the cost of having GAAP financial statements produced, the Library has chosen to use non-GAAP annual financial statements for the Fiscal Years Ended December 31, 2024 and December 31, 2025. In an effort to comply with the interpretation of certain professional auditing standards, including GAAP, issued by the American Institute of Certified Public Accountants, the State Auditor has determined that it will issue an unqualified opinion to any library that produces its financial statement on a cash basis to resemble GAAP presentation.

### General Fund Operations

The General Fund is the main operating fund of the Library. It is the fund from which most of the Library's expenditures are paid and into which most of the Library's revenues are deposited. The Library derives most of its revenues from property taxes as discussed under "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Library Property Tax Base." Revenues from the PLF are also paid into the General Fund.

**Revenues and Expenditures**

The following table summarizes unaudited revenues and expenditures from the general fund for the Fiscal Years indicated:

**Receipts and Disbursements – General Fund Receipts and Expenditures**
Geauga County Public Library

| **Receipts - General Fund** | **2021** | **2022** | **2023** | **2024** | **2025** |
|---|---|---|---|---|---|
| Property and Other Local Taxes | $5,235,490 | $4,783,972 | $5,343,758 | $5,366,636 | $5,475,932 |
| Public Library Fund | 3,304,210 | 3,574,560 | 3,629,931 | 3,439,199 | 3,508,580 |
| Intergovernmental | 702,535 | 634,287 | 707,722 | 693,611 | 697,469 |
| Patron Fines and Fees | 29,684 | 53,622 | 61,369 | 62,202 | 71,539 |
| Contributions, Gifts and Donations | 32,548 | 29,258 | 19,895 | 61,224 | 36,842 |
| Earnings on Investments | 8,749 | 117,129 | 428,967 | 562,141 | 520,303 |
| Miscellaneous | 91,627 | 65,433 | 31,471 | 36,835 | 40,985 |
| ***Total Cash Receipts*** | ***$9,404,843*** | ***$9,258,261*** | ***$10,223,113*** | ***$10,221,848*** | ***$10,351,650*** |
| **Disbursements - General Fund** | | | | | |
| Library Services: | | | | | |
| Public Services and Programs | $3,006,965 | $3,532,505 | $3,758,692 | $3,854,673 | $3,695,158 |
| Collection Development and Processing | 1,465,689 | 1,596,704 | 1,659,566 | 1,730,359 | 1,710,627 |
| Support Services: | | | | | |
| Facilities Operation and Maintenance | 879,860 | 932,901 | 913,896 | 952,041 | 1,069,327 |
| Information Services | 586,278 | 646,274 | 688,529 | 749,418 | 783,849 |
| Business Administration | 1,152,265 | 1,038,048 | 1,216,883 | 1,328,210 | 1,338,346 |
| Capital Outlay | 117,381 | 312,741 | 136,078 | 30,609 | 52,936 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 | 0 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 |
| ***Total Cash Disbursements*** | ***$7,208,438*** | ***$8,059,173*** | ***$8,373,644*** | ***$8,645,310*** | ***$8,650,243*** |
| Special Items | | | | | |
| Transfers In | 0 | 0 | 0 | 64,412 | 0 |
| Transfers Out | 0 | (4,245,583) | (1,423,583) | (1,745,583) | (1,795,583) |
| ***Fund Balance December 31*** | ***$6,953,273*** | ***$3,906,778*** | ***$4,332,664*** | ***$4,228,031*** | ***$4,133,855*** |

Source: The Library

**Budgeting, Tax Levy and Appropriations Procedures**

The Revised Code contains detailed provisions regarding library budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

Library budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing in July preceding the fiscal year to which the budget pertains, the budget is adopted by the Board. Among other items, the tax budget must show the amount of PLF revenue requested by the Library, including the amount of PLF revenue needed to pay existing and future debt service, the estimated receipts from sources other than ad valorem property taxes, and an estimate of amounts to be collected from tax levies approved by the voters. The tax budget then is presented for review by the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. The Budget Commission holds a public hearing, reviews the budget along with the budgets of the other political subdivisions in the County, and issues, by September 1st, the Certificate of Estimated Resources which is the basis for Library appropriations and expenditures for the coming fiscal year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the County Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, and before October 1 of each year, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in January and the second due in June or later.

The Board is required to pass an appropriation measure on or about the first of January of each year, or if the Board desires to postpone the passage of the annual appropriation measure until an amended Certificate of Estimated Resources is received, based on actual balances, it may pass a temporary appropriation measure for meeting the Library's ordinary expenses to last no longer than March 31. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. Appropriation measures must be certified by the County Auditor as not appropriating more moneys than set forth in those latest official estimates.

The County serves as tax collector for the Library. Investments and deposits of County funds are governed by Revised Code Chapter 135 (the "Uniform Depository Act"). The County Treasurer is responsible for those investments and deposits. The County's most recent audited financials contain a recitation of the County's current investment practices and can be obtained at the Ohio Auditor of State website: https://ohioauditor.gov.

**Library Insurance**

The Library maintains insurance coverage provided by the Ohio Plan Risk Management, Inc. for the following lines and with the following limits:

| Type | Limit | Deductible |
|---|---|---|
| Building and Personal Property | $49,413,174 | $2,500 |
| General Liability | $3,000,000 each occurrence<br>$5,000,000 annual limit | 0 |
| Automotive Liability | $3,000,000 each accident<br>$5,000,000 annual limit | $1,000 |
| Errors and Omissions | $3,000,000 each occurrence<br>$5,000,000 annual limit | $5,000 |

Ohio law provides immunity for political subdivisions such as the Library from liability in damages. The immunity covers injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. Included among such governmental functions are the provision of a free public library system. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a per person ceiling on the compensatory damage that represents a person's non-economic loss under Revised Code 2315.18(B)(2) in cases other than wrongful death, in which case there is no maximum limitation.

## THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES

**General**

A significant source of Library revenue is PLF Receipts. Other revenue sources include property taxes, fees, investment earnings, contractual services, grants and gifts. The following table sets forth the respective percentage of General Fund receipts of the Library for the past five years.

**Library Operating Revenue – General Fund**
(Cash Basis)
Geauga County Public Library

| Year | Public Library Fund Receipts | % of General Fund | Property Tax Receipts[1] | % of General Fund | Other Revenue Receipts | % of General Fund | Total General Fund Revenue |
|---|---|---|---|---|---|---|---|
| 2021 | $3,304,210 | 35% | $5,938,025 | 63% | $162,608 | 2% | $9,404,843 |
| 2022 | 3,574,560 | 39 | 5,418,259 | 59 | 265,442 | 3 | 9,258,261 |
| 2023 | 3,629,931 | 36 | 6,051,480 | 59 | 541,702 | 5 | 10,223,113 |
| 2024 | 3,439,199 | 34 | 6,060,247 | 59 | 722,402 | 7 | 10,221,848 |
| 2025 | 3,508,580 | 34 | 6,173,401 | 60 | 669,669 | 6 | 10,351,650 |
| 2026[2] | 3,446,216 | 35 | 6,138,478 | 62 | 275,500 | 3 | 9,860,194 |

Source: Geauga County Public Library

**Public Library Fund**

Effective 1986, the Ohio General Assembly created the Library and Local Government Support Fund (the "LLGSF") and repealed the local situs intangible tax, which was previously used, since 1933, to fund public libraries. In 2008, the LLGSF was renamed the Public Library Fund. The PLF is a significant source of funding for the Library. Distribution of the PLF is pursuant to the statutory formula as set forth below.

In the decades following the establishment of the PLF, funding levels have been tied to the preceding month's State income tax collections in varying percentages ranging from 6.3% in 1986 to 5.7% in 2007, with varying "freeze" levels and growth caps. In 2008, PLF funding was shifted to 2.22% of the preceding month's total State General Revenue Fund ("GRF") receipts. However, this percentage has also varied since 2008 due to economic conditions statewide and nationally as a result of the Great Recession. Currently, Ohio law calls for the Public Library Fund to receive 1.66% of the GRF tax receipts. In the 2026-27 State biennium budget, the dedicated percentage was eliminated in favor of a fixed line-item appropriation. The 2026-27 State biennium budget allocates $490 million for PLF in Fiscal Year 2026 and $500 million for PLF in Fiscal Year 2027 and also includes annual transfers of $10.3 million for Fiscal Years 2026 and 2027 to support library-related state agencies and organizations such as the State Library of Ohio and Ohioana Library Association.

[1] Includes State rollback payments and reimbursement payments relating to utility and personal property phase-outs.
[2] Projected through June 2026.

**State PLF Distributions**

| Calendar Year | PLF Annual Total (millions) | % Change from 2016 Base | % Change from Prior Year |
|---|---|---|---|
| 2016 | $377.0 | - | (1.00)% |
| 2017 | 378.5 | 0.40% | 0.40 |
| 2018 | 393.7 | 4.43 | 4.02 |
| 2019 | 410.2 | 8.81 | 4.19 |
| 2020 | 409.4 | 8.59 | (0.20) |
| 2021 | 464.4 | 23.18 | 13.43 |
| 2022 | 502.4 | 33.26 | 8.18 |
| 2023 | 510.2 | 35.33 | 1.55 |
| 2024 | 483.4 | 28.22 | -5.25 |
| 2025 | 504.6 | 33.85 | 4.39 |

Source: Ohio Library Council and Ohio Department of Taxation

Despite the adjustments made to State library funding in recent years, the method for distributing funds to public libraries across Ohio's 88 counties has not been altered. PLF moneys are distributed to counties pursuant to a two-part formula which includes a guaranteed share and an excess share. The guaranteed share equals the product obtained by multiplying a county's total entitlement for the preceding year by an inflation factor based upon the growth in the Consumer Price Index for the 12-month period ending in May of the year preceding the distribution. If the sum of the guaranteed shares of all counties exceeds the money available in the PLF, all counties' guaranteed shares will be reduced by an equal percentage.

The excess share is equal to the amount in the PLF minus the sum of all counties' guaranteed shares. The excess share is distributed to the counties based upon equalization ratios, calculated using each county's share of the statewide population in relation to its portion of the preceding year's PLF. Each county's individual equalization ratio is multiplied by the total amount of excess funds available to compute that county's share of the excess. The equalization ratio is intended to provide counties that were historically underfunded by the intangibles tax a larger share of the excess (in relation to the county's guaranteed share) than counties above the average. The purpose behind the excess share formula is to equalize per capita library funding among the counties over time while guaranteeing inflationary growth and some real growth.

The distribution of the moneys in the PLF is administered by the Tax Commissioner of the State (the "Tax Commissioner") and the individual county treasurers or fiscal officers. On or prior to July 20 of each year, the Tax Commissioner must certify to each county auditor or fiscal officer the amount estimated for the county's PLF for the following calendar year. The following December and June the Tax Commissioner must update the estimates and certify the revised estimates to each county auditor. By the tenth day of each month, the Auditor of State (the "State Auditor") must distribute the amount credited to the PLF from taxes collected during the preceding month. The amount that each county receives under the monthly distribution is equal to the county's estimated share of the annual fund based upon the most recent certified estimates for the calendar year.

By December 20 of each year the Tax Commissioner must determine and certify to each county auditor the PLF balance for the year, the amount the county was entitled to receive as its guaranteed and excess shares under the distribution formula during the calendar year, the amount the county actually received as its guaranteed and excess shares, and the difference between the two. During the first six months of the next year, each county's distribution will be adjusted for any such overpayment or underpayment received in the preceding year.

The county treasurer or fiscal officer of each county must distribute all funds (no deduction may be made for county auditor or treasurer or fiscal officer fees) in the county PLF on the 15th day of each month to the boards of public library trustees.

Allocation of the PLF is made in each county by the Budget Commission to each of the public libraries that has qualified under Revised Code Section 5705.28 for participation in the proceeds of such fund. To qualify to receive an allocation from the PLF under Section 5705.28, a library must have been operating prior to January 1, 1968 and have extended the benefits of library service to all of the inhabitants of the county in which the library is located on equal terms and participated in the distribution of proceeds from the county public library fund prior to December 31, 2005. In setting the allocations for the year, the Budget Commission begins with the estimate certified to the county auditor or Fiscal Officer by the Tax Commissioner as to the total amount of revenue to be received in the county PLF during the fiscal year. The Budget Commission then allocates the amount available for distribution based on the needs of each library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. In determining the need of each library board of trustees, and in calculating the amount to be distributed to each library board of trustees on the basis of its needs, the Budget Commission may not reduce a library's allocation from the fund on account of additional revenues realized by a library from increased taxes or service charges voted by its electorate, from revenues received through federal or state grants, projects, or programs, or from grants from private sources.

One other public library currently operates in the County in addition to the Library, Burton Public Library. The table set forth below shows the distributions received by the Library since 2022.

**County PLF Distributions**

Geauga County Public Library

| Year | County Guaranteed Share | Amount of Library's Guaranteed Share | Library's % of Total County Guaranteed Share | Library's Actual PLF Receipts |
|---|---|---|---|---|
| 2021 | $3,904,486 | $3,304,210 | 84.63%[1] | $3,304,210 |
| 2022 | 4,223,817 | 3,574,560 | 84.86[1] | 3,574,560 |
| 2023 | 4,289,380 | 3,629,931 | 84.63[1] | 3,629,931 |
| 2024 | 4,063,998 | 3,439,199 | 84.63[1] | 3,439,199 |
| 2025 | 4,145,983 | 3,508,580 | 84.63[1] | 3,508,580 |
| 2026[2] | 4,072,290 | 3,446,216 | 84.63[1] | 3,446,216 |

Source: Ohio Department of Taxation, Geauga County Budget Commission and the Library

THERE CAN BE NO ASSURANCE CONCERNING DETAILS OF AND/OR THE FUTURE LEVEL OF STATE FUNDING FOR THE PUBLIC LIBRARY FUND, IF ANY. FUNDING OF THE PUBLIC LIBRARY FUND MAY ALSO BE SUBJECT TO ADJUSTMENT OR REPEAL DURING A STATE BIENNIUM. THE NOTES ARE PAYABLE SOLELY FROM THE LIBRARY'S PUBLIC LIBRARY FUNDS PLEDGED FOR THEIR PAYMENT. (SEE "SECURITY AND SOURCE OF PAYMENT FOR THE LIBRARY'S SPECIAL OBLIGATION DEBT")

[1] Reflects negotiations with Burton Public Library.
[2] Projected.

## Library Property Tax Base

The following information is provided solely for informational purposes. The Notes are not secured by, nor are ad valorem taxes pledged to, the repayment of the Notes.

*Ad Valorem Taxes and Assessed Valuation*

Overview. For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the Tax Commissioner, and assessment of public utility tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the County Treasurer.

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility 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 that second year preceding the tax collection year. Beginning with the 2009 tax year, general business tangible personal property is no longer subject to tax.

The General Assembly spent a significant amount of time during 2025 debating the need for property tax reform in Ohio, including during the deliberations over Amended Substitute H.B. 96 ("HB 96"), the State's biennial budget bill. The Governor decided to veto several of the most significant property tax reforms contained in HB 96, although the General Assembly ultimately overrode one of the Governor's vetoes (veto #66). Changes to State property tax levy law that resulted from HB 96 (including the override of veto 66) included barring city, local, or exempted village school districts from (1) placing a new current expense levy on the ballot if their general fund carryover balance in the preceding fiscal year is 100% or more of their general fund expenditures in the preceding fiscal year; (2) renewing a property tax levy with an increase in taxes (standard renewals and renewals with a decrease in taxes are both still permitted); and (3) all variations of replacement levies, which were also eliminated for all other local governments.

Over the course of 2025, legislators in the General Assembly introduced various proposed bills that would affect ad valorem property taxation in the State. While some of these proposals were more narrow and targeted at more limited issues, some would have a substantial impact on property tax law if implemented. Recent legislation that went into effect on March 20, 2026 is summarized in the following table.

**2025 Property Tax Reform Legislation**

| Bill | Summary of Primary Provisions |
|---|---|
| Am. HB 124 | Modifies process for property tax sales-assessment ratio studies – shifts more responsibility/authority to county auditors and away from the Department of Taxation |
| Sub. HB 309 ("HB 309") | County budget commissions ("CBCs") are granted authority to reduce the amount or rate of a tax levy (other than bond levies) if the CBC determines the reduction is necessary to avoid "unnecessary" or "excessive" collections"[1]; a public hearing by a CBC is required before any reduction; a CBC cannot reduce a levy below what it |

[1] HB 309 defines "unnecessary collections" as "collections from a tax beyond the reasonably anticipated financial needs of the taxing authority for the specific purposes of the tax after accounting for current fund balances, projected expenditures, and other available funding sources." HB 309 defines "excessive collections" as "collections from a tax in an amount or at a rate that exceeds what is required to provide services at a level that is consistent with statutory obligations."

| | |
|---|---|
| | collected in the prior year unless there are reserve accounts, nonexpendable trust funds, or carryover amounts to offset the reduction; new voter-approved tax levies are only protected from reduction by a CBC during the first year of collection, while renewed levies can be reduced by a CBC at any time |
| Sub. HB 335 | Beginning with TY 2026, in a county's reappraisal or update year, (1) requires CBCs to adjust the rate of each inside (unvoted) millage levy to limit any increase in revenue to GDP deflator growth over the three previous years, or (2) if an increase in inside millage levy revenue is less than the GDP deflator but greater than the previous year, than each taxing unit receiving inside millage must adopt legislation by November 1 requesting the increased revenue up to the rate certified and demonstrating the need for the higher rate, which a CBC may approve, partially approve, or deny. These inside millage adjustments do not apply when an increase in taxes results from real property being added to the tax duplicate since the preceding year, such as from new construction or the expiration of abatements. |

More information on each bill, including the text of each bill, can be found at the General Assembly's website at: https://www.legislature.ohio.gov/legislation/search?generalAssembly=136. (See also "INVESTMENT CONSIDERATIONS – Considerations Regarding Real Property Tax Reform" herein.)

Real Property.

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Certain homeowners receive a property tax exemption on a portion of the market value of their homestead.

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This "sexennial reappraisal" is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a "triennial update" to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

Personal Property.

The State formerly imposed a broad personal property tax on property used in business. However, due to changes in State law, most tangible personal property has been excluded from this tax since 2011 through a gradual phase-out. Initially, the State reimbursed political subdivisions for tax losses resulting from repeal of the broad-based tax on tangible personal property. However, the State has since substantially ended this reimbursement.

Unlike most business personal property, public utility tangible personal property was not subject to the personal property tax repeal referenced above and remains subject to tax under State law. Unless an exemption or abatement program applies, all public utility tangible personal property is assessed at varying percentages of its true value depending on the type of property and type of utility.

*Assessed Valuation*

The following table classifies the assessed valuation of taxable property in the Library's service district according to use:

**Assessed Valuation**
Geauga County Public Library
(2026 Collection Year)

| Property Classification | Amount | Percent of Total Assessed Valuation |
|---|---|---|
| *Real Property*[1] | | |
| Class I (Residential/Agricultural) | $3,829,208,670 | 87.14% |
| Class II (Commercial/Industrial/Other) | 412,508,660 | 9.39 |
| Total Real Property | 4,241,717,330 | 96.53 |
| *Personal Property* | | |
| Public Utility Personal | $152,392,472 | 3.47% |
| **Total Assessed Valuation** | **$4,394,109,802** | **100.00%** |

Source: Geauga County Auditor

**Change in Assessed Valuation**
Geauga County Public Library

| Collection Year | Assessed Valuation | Percent Increase Over Prior Year |
|---|---|---|
| 2020 | 3,005,898,600 | 1.21% |
| 2021[2] | 3,283,720,700 | 9.24 |
| 2022 | 3,324,096,400 | 1.23 |
| 2023 | 3,361,100,460 | 1.11 |
| 2024[3] | 4,300,682,140 | 27.95 |
| 2025 | 4,351,245,430 | 1.18 |
| 2026 | 4,394,109,802 | 0.99 |

Source: Geauga County Auditor

[1] Property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.
[2] Year of triennial update. The County's next triennial update occurs in tax year 2026, collection year 2027.
[3] Year of sexennial reappraisal. The County's next sexennial reappraisal occurs in tax year 2029, collection year 2030.

## Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the Library's taxing district. Percentages of total assessed valuation are based on a total assessed valuation of $4,394,109,802 for the 2026 collection year.

### Real Estate Taxpayers

| Name | Type of Business | Assessed Valuation | Percent of Library's Total Assessed Valuation |
|---|---|---|---|
| American Transmission Systems Inc. | Transmission | 4,804,010 | 0.11% |
| Marketplace Associates LLC | Real Estate | 1,303,316 | 0.03 |
| South Franklin Circle | Senior Living | 1,198,776 | 0.03 |
| Sisters of Notre Dame of Cleveland Ohio | Roman Catholic Religious Congregation | 603,486 | 0.01 |
| Eliza Jennings Inc. | Non-profit Organization | 415,091 | 0.01 |
| High Street Capital Partners LLC | Private Equity Firm | 410,776 | 0.01 |
| Wal Mart Real Estate Business Trust | Real Estate | 396,508 | 0.01 |
| V & V Lakeshore Ltd. | Real Estate | 327,354 | 0.01 |
| RE Aurora Ohio Family LLC | Real Estate | 326,374 | 0.01 |
| AGNL Pantry LLC | Real Estate | 326,209 | 0.01 |

Source: Geauga County Auditor

### Public Utility Taxpayers

| Name | Type of Business | Assessed Valuation | Percent of Library's Total Assessed Valuation |
|---|---|---|---|
| Cleveland Electric Illuminating Company | Electric Utilities | $9,457,928 | 0.22% |
| East Ohio Gas Co. | Gas Utilities | 1,242,288 | 0.03 |
| Ohio Edison Co. | Electric Utilities | 270,878 | 0.01 |
| Northeast Ohio Natural Gas Corp. | Gas Utilities | 171,655 | 0.00 |

Source: Geauga County Auditor

**History of Voted Taxes**

The table below provides the history of voted taxes in the Library for the last 20 years. Issues in **bold** were approved by the voters.

**History of Voted Taxes**
Geauga County Public Library

| Election Date | Levy or Bond Issue Description | % Voting For | % Voting Against |
|---|---|---|---|
| **11/07/2017** | **$24,000,000 (0.50-Mills) Construction and Improvement Library Facilities Bond Issue (30 years)** | **50.77%** | **49.23%** |
| **11/02/2010** | **1.00 Mill Operating Levy (Continuing)** | **52.92** | **47.08** |
| **11/06/2007** | **1.00 Mill Operating Levy (Continuing)** | **62.30** | **37.70** |

Source: Geauga County Board of Elections

The Library does not anticipate placing any new operating or permanent improvement tax levies or bond issues on the ballot within the next five years.

**Property Tax Rates and Collections**

Property tax levies serve as the main source of operating revenue for the Library. The following table contains the rates (in mills per $1.00 of assessed valuation) at which the Library levied ad valorem taxes for the 2026 collection year.

**Library Tax Rates**
Geauga County Public Library
(2026 Collection Year)

| | | Rate Levied for Current Collection Year | |
|---|---|---|---|
| **Collection Year 2026** | **Authorized Mills** | **Residential/ Agricultural** | **Commercial/ Industrial** |
| 2007 Current Expense | 1.00 | 0.679257 | 0.843267 |
| 2010 Current Expense | 1.00 | 0.679257 | 0.843267 |
| 2017 Bonds | 0.32 | 0.320000 | 0.320000 |
| **Totals** | **2.32** | **1.678514** | **2.006534** |

Source: Ohio Department of Taxation

The following table identifies the historical tax collections for the Library:

**Property Tax Collections**
Geauga County Public Library

| Collection Year | Assessed Valuation | Taxes Levied | Taxes Collected (including delinquent taxes) | Collection Rate |
|---|---|---|---|---|
| 2020 | $3,005,898,600 | $7,364,253 | $7,364,482 | 100.00% |
| 2021 | 3,283,720,700 | 7,355,028 | 7,364,471 | 100.13 |
| 2022 | 3,324,096,400 | 6,465,346 | 6,502,089 | 100.57 |
| 2023 | 3,361,100,460 | 7,126,716 | 7,119,813 | 99.90 |
| 2024 | 4,300,682,140 | 7,089,492 | 7,060,258 | 99.59 |
| 2025 | 4,351,245,430 | 6,644,648 | 6,531,174 | 98.29 |
| 2026 | 4,394,109,802 | 7,620,591 | 7,482,642[1] | 98.19[1] |

Source: Geauga County Auditor

*Tax Abatements and Economic Development Incentives*

Tax abatements are temporary property tax exemptions designed to stimulate economic growth or promote other activities deemed by the State to be in the public interest. Under Ohio law, tax abatements may be granted for urban renewal projects, community redevelopment corporations, community reinvestment areas, property acquired by municipal corporations engaged in urban redevelopment, enterprise zones, railroad property, and for any improvements declared to serve a "public purpose" in municipalities, townships, and counties. Currently there are no abated properties within the Library.

**Property Tax Rate Calculations**

State law has a "reduction factor" mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (i) residential and agricultural or (ii) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges or emergency school levies, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting "effective tax rate" reflects the aggregate of those reductions and is the rate at which real property taxes are, in fact, collected. Real property tax amounts from property devoted to residential and agricultural purposes are, in certain cases, further reduced by:

(a) property tax rollbacks, which for tax year 2025/collection year 2026 include a 10% reduction or "rollback" for residential and agricultural (non-commercial) properties and an additional 2.5%

[1] Through July 30, 2026

reduction or "rollback" for owner-occupied residential property; such reductions do not apply to (1) new levies, (2) replacement levies, or (3) the increase portion of a renewal levy combined with an increase that are approved by voters after September 29, 2013; and

(b) the homestead exemption[1], which provides a reduction in a homestead's market value available to (1) certain homeowners 65 years of age or older or disabled resident homeowners, (2) disabled veterans or (3) the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty. The Tax Commissioner adjusts both income restrictions and exemption reduction values annually for inflation.

These reductions are reimbursed to taxing subdivisions by the State.

HB 186 changes the rollback structure for non-commercial and owner-occupied residential properties beginning in tax year 2026/collection year 2027. The owner-occupied rollback will increase from 2.50% to 15.38% in tax year 2029/collection year 2030 and in prior years as shown in the table below. Simultaneously, the 10.0% rollback for non-commercial, non-agricultural properties that are not owner-occupied will decrease from 10.0% currently to 0% in tax year 2029/collection year 2030 and in prior years as shown in the table below. The final result by tax year 2029/collection year 2030 and beyond will be that residential properties (non-commercial and non-agricultural properties) will only receive a rollback tax reduction if they are owner-occupied. The 10.0% rollback that applied to agricultural properties was left unchanged by HB 186 as were the type of levies that qualify for the rollbacks.

**Phase-In Schedule for HB 186 Property Tax Rollbacks for Non-Agricultural Residential Property**

| Collection Year | Owner-Occupied Rollback Rate | Non-Commercial Rollback Rate | Total Rollback Rate |
|---|---|---|---|
| 2026 (no change) | 2.50% | 10.00% | 12.50% |
| 2027 | 5.70 | 7.50 | 13.20 |
| 2028 | 8.92 | 5.00 | 13.92 |
| 2029 | 12.15 | 2.50 | 14.65 |
| 2030 and beyond | 15.38 | 0.00 | 15.38 |

Such rollbacks and related reimbursements to taxing districts are subject to further revision or repeal by the State.

Under HB 96, the county commissioners of the County may (1) double the homestead exemption, or (2) provide up to an additional 2.50% rollback for owner-occupied residential property on levies qualifying for State rollbacks, or (3) both. Such action has to be taken by June 30 to apply to the current tax year, and such action must be taken annually for subsequent years. The Geauga County Commissioners have not chosen to do so. The loss from any such County "piggyback" action is not reimbursed.

[1] For more information about the homestead exemption, please visit the Ohio Department of Taxation's website at http://tax.ohio.gov, including http://tax.ohio.gov/help-center/faqs/real-property-tax-homestead-means-testing/real-property-tax--homestead-means-testing.

**Repeal of Property Tax Levies**

Each operating tax levy approved for a continuing period is subject to decrease through a statutory referendum procedure requiring (i) a petition signed by qualified electors of the Library equal in number to those who voted in the last governor's race (to be filed at least 90 days before the general election in any year) stating the amount of the proposed decrease and (ii) the approval of the decrease by a majority vote at the general election with the decrease to commence at the expiration of the then current tax levy year. No petition has been filed with respect to any existing current expense tax levy of the Library.

If such a petition is filed and subsequently approved by the electors of the Library, under Revised Code Section 5705.261, the Board must continue to levy and collect such amount as will be sufficient to pay the principal of and interest on any notes in anticipation of an increased rate of levy approved for a continuing period of time.

**Other Revenues**

The Library draws a small portion of the Library's operating resources from fees, investment earnings, contractual services, grants and gifts. The following table sets forth the total revenue the Library has received from these sources since 2020 and projections for 2026.

**Other Sources of Library Revenue - General Fund**
(Cash Basis)
Geauga County Public Library

| Year | Fees | Grants and Gifts | Investment Earnings | Other Revenue | Total Revenue |
|---|---|---|---|---|---|
| 2021 | $29,684.00 | $32,548.00 | $8,749.00 | $91,627.00 | $162,608.00 |
| 2022 | 53,622.00 | 29,258.00 | 117,129.00 | 65,433.00 | 265,442.00 |
| 2023 | 61,369.00 | 19,895.00 | 428,967.00 | 31,471.00 | 541,702.00 |
| 2024 | 62,202.00 | 61,224.00 | 562,141.00 | 36,835.00 | 722,402.00 |
| 2025 | 71,539.00 | 36,842.00 | 520,303.00 | 40,985.00 | 669,669.00 |
| 2026 | 60,000.00 | 60,000.00 | 200,200.00 | 16,300.00 | 356,500.00 |

Source: Geauga County Public Library

## LIBRARY DEBT

**Statutory Debt Limitations for PLF Notes**

The Library may issue notes payable from PLF revenues, such as the Notes, without a vote of the electors. Such notes are subject to the debt limitation set forth in Section 3375.404 of the Revised Code but are not subject to any other statutory debt limitations. A series of notes may be issued only if the maximum aggregate amount of notes that will be outstanding after such issue does not exceed an amount which requires or is estimated to require aggregate annual debt service charges on the notes by a board of public library trustees to exceed 40% of the average of the Library's PLF Receipts for the two calendar years immediately preceding the year in which notes are issued and the property tax levy proceeds pledged for debt service charges. In the case of anticipation notes issued in anticipation of the issuance of notes payable from PLF revenues, the projected debt service charges on the PLF notes, and not on the anticipation notes, are used to calculate the percentage of PLF revenue required to pay debt service.

The Library's PLF revenues received in 2024 and 2025, the two years prior to the year in which the Notes are issued, were $3,439,199 and $3,508,580, respectively. In 2026, the Library could issue PLF notes (payable solely from PLF and without regard to available proceeds of a property tax) having aggregate annual debt service payments of up to 40% of the average of these two amounts or up to $1,389,355.

**PLF Notes Currently Outstanding**

Upon the issuance of the Notes, the Library will have the following issues of special obligation debt outstanding:

**Outstanding PLF Notes**
Geauga County Public Library

| Issue | Dated Date | Final Maturity | Balance Outstanding August 27, 2026* |
|---|---|---|---|
| The Notes | 08/27/2026[1] | 12/01/2053* | $5,750,000.00* |
| **Total** | | | **$5,750,000.00*** |

[1] Preliminary, subject to change.

**Debt Service Requirements**

The following table presents the Library's debt service requirements for PLF Notes debt currently outstanding, including the Notes:

**Debt Service Requirements**
Geauga County Public Library

| Calendar Year | The Notes | | Total Debt Service |
|---|---|---|---|
| | **Principal** | **Interest** | |
| 2027 | $130,000.00 | | |
| 2028 | 110,000.00 | | |
| 2029 | 115,000.00 | | |
| 2030 | 120,000.00 | | |
| 2031 | 125,000.00 | | |
| 2032 | 135,000.00 | | |
| 2033 | 140,000.00 | | |
| 2034 | 145,000.00 | | |
| 2035 | 155,000.00 | | |
| 2036 | 160,000.00 | | |
| 2037 | 170,000.00 | | |
| 2038 | 180,000.00 | | |
| 2039 | 190,000.00 | | |
| 2040 | 200,000.00 | | |
| 2041 | 205,000.00 | | |
| 2042 | 220,000.00 | | |
| 2043 | 230,000.00 | | |
| 2044 | 240,000.00 | | |
| 2045 | 250,000.00 | | |
| 2046 | 265,000.00 | | |
| 2047 | 280,000.00 | | |
| 2048 | 290,000.00 | | |
| 2049 | 305,000.00 | | |
| 2050 | 320,000.00 | | |
| 2051 | 340,000.00 | | |
| 2052 | 355,000.00 | | |
| 2053 | 375,000.00 | | |
| **Total** | **$5,750,000.00** | | |

**Voted General Obligation Bonds**

The Library has the following voted general obligation debt outstanding. No bonds have been authorized by the electors that have not yet been issued.

| Issue | Dated Date | Final Maturity | Balance Outstanding August 27, 2026* |
|---|---|---|---|
| Library Improvement Bonds, Series 2018A | 04/26/2018 | 12/01/2047 | 10,175,000.00 |
| Library Improvement Bonds, Series 2018B | 05/17/2018 | 12/01/2042 | 9,720,000.00 |
| **Total** | | | **$19,895,000.00** |

**No Default**

The Library is not in default in the payment of debt service on any obligations.

**Lease Obligations**

Under Ohio law, libraries have only the authority to lease or lease purchase any capital asset that is expressly granted by statute or necessarily implied from expressly granted authority. Express statutory authority exists for true leases (i.e., leases where no portion of the lease payment is applied toward the purchase of the capital asset) or lease-purchase or installment sale arrangements for the following: main libraries, branch libraries, library stations, buildings, parts of buildings, other real property, motor vehicles and other personal property necessary for the proper maintenance and operation of the public libraries under the control of the library. Except in cases where lease-purchase or installment sale arrangements include certain provisions providing that the obligations under such agreement may be terminated at the end of a fiscal year (e.g., a requirement of annual appropriation in order to extend the lease term beyond the current fiscal year), such agreements would constitute "debt."

The Library has the following leases with remaining payments noted in the chart below and will not own the equipment at the end of either lease:

| Lease | 2026 Payments | 2027 Payments | 2028 Payments |
|---|---|---|---|
| CCT Copier | $16,954.83 | | |
| CCT Copier | 6,088.80 | $24,335.20 | $24,335.20 |
| CCT Marketing Copier | 9,799.92 | 9,799.92 | - |
| Postage Machine | 1,348.20 | 1,348.20 | 674.10 |

The Library sold the Administrative Building to the Geauga County Commissioners in June 2026 and plans to lease its administrative offices from the County for $1 through June 2027 and will then lease temporary office space until the construction is complete on the new Chardon Branch.

**Future Financings**

Currently, the Library does not anticipate any future financings in the next five years.

**Cybersecurity**

The Library, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, the Library may be the target of cybersecurity incidents that could result in adverse consequences to the Library and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Library's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Library invests in multiple forms of cybersecurity and operational safeguards. While Library cybersecurity and operational safeguards are periodically tested, no assurances can be given by the Library that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the Library's Systems Technology and cause material disruption to the Library's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the Library to material litigation and other legal risks, which could cause the Library to incur material costs.

In the event of a Systems Technology breach, the Library has invested in a cyber-security insurance policy. The policy provides for a variety of coverages: cyber-crime, liability, and breach response, among other coverages.

**APPENDIX B**

## AUDITED FINANCIAL STATEMENTS

## GEAUGA COUNTY PUBLIC LIBRARY
## GEAUGA COUNTY, OHIO

## FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2025

**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2025-2024**

OHIO AUDITOR OF STATE
KEITH FABER

**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY**
**DECEMBER 31, 2025 AND 2024**

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**GEAUGA COUNTY PUBLIC LIBRARY**
**GEAUGA COUNTY**
**DECEMBER 31, 2025 AND 2024**

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Independent Auditor's Report on Internal Control Over
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OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

**INDEPENDENT AUDITOR'S REPORT**

Geauga County Public Library
Geauga County
12701 Ravenwood Drive
Chardon, Ohio 44024

To the Library Trustees:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Geauga County Public Library, Geauga County, Ohio (the Library), as of and for the years ended December 31, 2025 and 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 cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2025 and 2024, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the cash-basis of accounting described in Note 2.

***Basis for Opinions***

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

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

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

***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the management's discussion & analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 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

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

June 18, 2026

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The management's discussion and analysis of the Geauga County Public Library ("the Library") financial performance provides an overview of the Library's financial activities for the year ended December 31, 2025, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

## Highlights

Key highlights for 2025 are as follows:

- During 2025, total net position increased as overall receipts exceeded disbursements mainly due to decreased costs from capital outlay.

- The Library continues to fund their Building Repair Reserve Fund and Chardon Capital Reserve Fund to ensure financial stability. Transfers from the General Fund to the Building Repair Reserve Fund totaled $495,583 and transfers from the General Fund to the Chardon Capital Reserve Fund totaled $1,300,000.

## Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

### Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular purpose. These statements present financial information by fund, presenting the major funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the governmental-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### Basis of Accounting

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

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable), and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

## Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2025 within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well, such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, and the need for continued growth in the major local revenue sources such as property taxes and Public Library Fund (PLF).

In the statement of net position and the statement of activities, the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and the library materials and information. These services are primarily funded by property taxes and PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

## Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds, not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that restricted use funds are being spent for their intended purposes. All of the Library's funds are accounted for as governmental funds.

*Governmental Funds* The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the general fund, the debt service fund, the capital improvement bonds fund, the building reserve fund and the Chardon capital reserve fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

## The Library as a Whole

Table 1 provides a summary of the Library's net position for 2025 compared to 2024 on a cash basis:

(Table 1)
**Net Position**

| | Governmental Activities | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| **Assets** | | | |
| Equity in Pooled Cash and Cash Equivalents | $18,986,660 | $18,317,477 | $ 669,183 |
| | | | |
| **Net Position** | | | |
| Restricted for: | | | |
| Capital Projects | $ 4,876,120 | $ 5,273,701 | $ (397,581) |
| Debt Service | 245,938 | 423,031 | (177,093) |
| Other Purposes | 150,284 | 213,292 | (63,008) |
| Unrestricted | 13,714,318 | 12,407,453 | 1,306,865 |
| | | | |
| *Total Net Position* | $18,986,660 | $18,317,477 | $ 669,183 |

During 2025, total net position increased due to receipts exceeded disbursements, mainly due to a decrease in capital outlay.

Table 2 reflects the changes in net position in 2025 compared to 2024 on a cash basis:

(Table 2)

**Change in Net Position**

| | Governmental Activities | | |
|---|---|---|---|
| | 2025 | 2024 | Change |
| **Receipts** | | | |
| ***Program Receipts*** | | | |
| Charges for Services and Sales | $ 71,539 | $ 62,202 | $ 9,337 |
| Operating Grants, Contributions and Interest | - | 254,000 | (254,000) |
| Capital Grants and Contributions | 34,500 | - | 34,500 |
| ***General Receipts:*** | | | |
| Property Taxes | 6,639,532 | 6,383,053 | 256,479 |
| Public Library | 3,508,580 | 3,439,199 | 69,381 |
| Unrestricted Gifts and Contributions | 36,842 | 57,224 | (20,382) |
| Grants and Entitlements not Restricted to Specific Programs | 706,392 | 697,811 | 8,581 |
| Payments in Lieu of Taxes | 9,534 | 9,424 | 110 |
| Earnings on Investments | 673,910 | 970,248 | (296,338) |
| Miscellaneous | 40,985 | 36,835 | 4,150 |
| *Total General Receipts* | 11,615,775 | 11,593,794 | 21,981 |
| *Total Receipts* | $ 11,721,814 | $ 11,909,996 | $ (188,182) |
| **Disbursements** | | | |
| Current: | | | |
| Library Services: | | | |
| Public Services and Programs | 3,745,253 | 3,854,673 | 109,420 |
| Collection Development and Processing | 1,710,627 | 1,730,359 | 19,732 |
| Support Services: | | | |
| Facilities Operation and Maintenance | 1,188,479 | 985,106 | (203,373) |
| Information Services | 783,849 | 750,268 | (33,581) |
| Business Administration | 1,872,110 | 1,442,416 | (429,694) |
| Capital Outlay | 374,450 | 2,355,200 | 1,980,750 |
| Debt Service: | | | |
| Principal Retirement | 585,000 | 565,000 | (20,000) |
| Interest and Fiscal Charges | 792,863 | 815,150 | 22,287 |
| *Total Disbursements* | 11,052,631 | 12,498,172 | 1,445,541 |
| Change in Net Position | 669,183 | (588,176) | 1,257,359 |
| Net Position Beginning of Year | 18,317,477 | 18,905,653 | (588,176) |
| Net Position End of Year | $18,986,660 | $18,317,477 | $ 669,183 |

Interest receipts decreased during 2025 due to decreased cash available to invest, loss on investment, and lower interest rates.

Disbursements for library services represent the costs of running the Library. Disbursements for support services represent the overhead costs of running the Library and the support services provided for the other Library activities. Disbursements for capital outlay represent costs for capital projects for the Library. Capital outlay decreased as the Library completed improvements to its facilities. Overall, total disbursements decreased in 2025, mainly due to the Library spending less on capital projects.

**Governmental Activities**

If you look at the statement of activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are library services, support services, and capital outlay. The next column of the statement, under 'Program Cash Receipts,' identifies amounts paid by those who are directly charged for the service. The 'Net (Disbursements) Receipts and Changes in Net Position' column compares the program receipts to the cost of the services. This net cost amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
**Governmental Activities**

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| **Disbursements** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public Services and Programs | $3,745,253 | $3,673,714 | $3,854,673 | $3,538,471 |
| Collection Development and Processing | 1,710,627 | 1,710,627 | 1,730,359 | 1,730,359 |
| Support Services: | | | | |
| Facilities Operation and Maintenance | 1,188,479 | 1,188,479 | 985,106 | 985,106 |
| Information Services | 783,849 | 783,849 | 750,268 | 750,268 |
| Business Administration | 1,872,110 | 1,872,110 | 1,442,416 | 1,442,416 |
| Capital Outlay | 374,450 | 339,950 | 2,355,200 | 2,355,200 |
| Debt Service | 1,377,863 | 1,377,863 | 1,380,150 | 1,380,150 |
| *Total Disbursements* | $11,052,631 | $10,946,592 | $12,498,172 | $12,181,970 |

## The Library's Funds

Total governmental funds had receipts in 2025 of $11,721,814 and disbursements of $11,052,631. The fund balance of the general fund decreased $94,176 in 2025 primarily due to increases in several disbursement categories including facilities operations and maintenance. The general fund made transfers during 2025 to the building reserve and Chardon capital reserve capital projects funds. The fund balance of the capital improvement fund decreased $397,581 in 2025 primarily due to disbursements outpacing receipts during 2025. The fund balance of the debt service fund decreased $177,093 primarily due to disbursements outpacing revenues during the current year.

## General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During 2025, the Library's general fund budget was stable. Actual receipts were higher than final budgeted receipts, primarily due to higher than expected property and other local tax receipts as well as earnings on investments. Final disbursements for 2025 were budgeted at $11,815,565, while actual disbursements were $10,708,665. Maintaining actual disbursements below projected levels allowed the Library to carryover a positive fund balance at year end.

## Debt Administration

At December 31, 2025, the Library had Library Improvement Bonds and equipment leases. See Note 10 for additional information.

## Current Issues

The Library continues to deal with the effects of inflation and supply chain issues which continue to increase expenses for supplies and equipment.

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue.

The Library continues to closely monitor its budget and is committed to maintaining long term sustainability to continue to provide quality services to the community.

## Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Havlin, Fiscal Officer, Geauga County Public Library, 12701 Ravenwood Drive, Chardon, Ohio 44024.

**Geauga County Public Library**
**Geauga County**
*Statement of Net Position - Cash Basis*
*December 31, 2025*

| | Governmental Activities |
|---|---|
| **Assets** | |
| Equity in pooled cash and cash equivalents | $ 18,986,660 |
| *Total Assets* | 18,986,660 |
| **Net Position** | |
| Restricted for: | |
| Capital projects | 4,876,120 |
| Debt service | 245,938 |
| Other purposes | 150,284 |
| Unrestricted | 13,714,318 |
| *Total Net Position* | $ 18,986,660 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Activities - Cash Basis*
*For the Year Ended December 31, 2025*

| | | Program Cash Receipts | | Net (Disbursements) Receipts and Changes in Net Position |
|---|---|---|---|---|
| | Cash Disbursements | Charges for Services and Sales | Capital Grants and Contributions | Governmental Activities |
| **Governmental Activities** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public service and programs | $ 3,745,253 | $ 71,539 | $ - | $ (3,673,714) |
| Collection development and processing | 1,710,627 | | - | (1,710,627) |
| Support Services: | | | | |
| Facilities operation and maintenance | 1,188,479 | - | - | (1,188,479) |
| Information technology services | 783,849 | - | - | (783,849) |
| Business administration | 1,872,110 | - | - | (1,872,110) |
| Capital outlay | 374,450 | - | 34,500 | (339,950) |
| Debt service: | | | | |
| Principal retirement | 585,000 | - | - | (585,000) |
| Interest and fiscal charges | 792,863 | - | - | (792,863) |
| *Total Governmental Activities* | $ 11,052,631 | $ 71,539 | $ 34,500 | (10,946,592) |

| | |
|---|---|
| **General Receipts** | |
| Property taxes levied for: | |
| General purposes | 6,639,532 |
| Public Library | 3,508,580 |
| Unrestricted Gift and Contributions | 36,842 |
| Grants and entitlements not restricted to specific programs | 706,392 |
| Payments in lieu of taxes | 9,534 |
| Earnings on investments | 673,910 |
| Miscellaneous | 40,985 |
| *Total General Receipts* | 11,615,775 |
| Change in net position | 669,183 |
| Net position beginning of year | 18,317,477 |
| Net position end of year | $ 18,986,660 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Cash Basis Assets and Fund Balances*
*Governmental Funds*
*December 31, 2025*

| | General | Building Repair - Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Equity in pooled cash and cash equivalents | $ 4,133,855 | $ 2,007,816 | $ 4,876,120 | $ 7,572,647 | $ 245,938 | $ 150,284 | $ 18,986,660 |
| *Total Assets* | $ 4,133,855 | $ 2,007,816 | $ 4,876,120 | $ 7,572,647 | $ 245,938 | 150,284 | 18,986,660 |
| **Fund Balances** | | | | | | | |
| Restricted | - | - | 4,876,120 | - | 245,938 | 150,284 | 5,272,342 |
| Committed | - | 2,007,816 | - | 7,572,647 | - | - | 9,580,463 |
| Assigned | 1,060,668 | - | - | - | - | - | 1,060,668 |
| Unassigned | 3,073,187 | - | - | - | - | - | 3,073,187 |
| *Total Fund Balances* | $ 4,133,855 | $ 2,007,816 | $ 4,876,120 | $ 7,572,647 | $ 245,938 | $ 150,284 | $ 18,986,660 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*
*Governmental Funds*
*For the Year Ended December 31, 2025*

| | General | Building Repair - Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Receipts** | | | | | | | |
| Property and other local taxes | $ 5,475,932 | $ - | $ - | $ - | $ 1,163,600 | $ - | $ 6,639,532 |
| Public library | 3,508,580 | - | - | - | - | - | 3,508,580 |
| Intergovernmental | 689,251 | - | - | - | 17,141 | - | 706,392 |
| Patron fines and fees | 71,539 | - | - | - | - | - | 71,539 |
| Payments in lieu of taxes | 8,218 | - | - | - | 1,316 | - | 9,534 |
| Contributions, gifts and donations | 36,842 | - | - | 34,500 | - | - | 71,342 |
| Earnings on Investments | 520,303 | - | 118,012 | - | 35,595 | - | 673,910 |
| Miscellaneous | 40,985 | - | - | - | - | - | 40,985 |
| *Total Receipts* | 10,351,650 | - | 118,012 | 34,500 | 1,217,652 | - | 11,721,814 |
| **Disbursements** | | | | | | | |
| Current: | | | | | | | |
| Library Services: | | | | | | | |
| Public services and programs | 3,695,158 | - | - | - | - | 50,095 | 3,745,253 |
| Collection development and processing | 1,710,627 | - | - | - | - | - | 1,710,627 |
| Support Services: | | | | | | | |
| Facilities operation and maintenance | 1,069,327 | 119,152 | - | - | - | - | 1,188,479 |
| Information technology services | 783,849 | - | - | - | - | - | 783,849 |
| Business administration | 1,338,346 | - | 493,671 | 23,211 | 16,882 | - | 1,872,110 |
| Capital outlay | 52,936 | 286,679 | 21,922 | - | - | 12,913 | 374,450 |
| Debt service: | | | | | | | |
| Principal retirement | - | - | - | - | 585,000 | - | 585,000 |
| Interest and fiscal charges | - | - | - | - | 792,863 | - | 792,863 |
| *Total Disbursements* | 8,650,243 | 405,831 | 515,593 | 23,211 | 1,394,745 | 63,008 | 11,052,631 |
| *Excess of Receipts Over (Under) Disbursements* | 1,701,407 | (405,831) | (397,581) | 11,289 | (177,093) | (63,008) | 669,183 |
| **Other Financing Sources (Uses)** | | | | | | | |
| Transfers in | - | 495,583 | - | 1,300,000 | - | - | 1,795,583 |
| Transfers out | (1,795,583) | - | - | - | - | - | (1,795,583) |
| *Total Other Financing Sources (Uses)* | (1,795,583) | 495,583 | - | 1,300,000 | - | - | - |
| *Net change in fund balance* | (94,176) | 89,752 | (397,581) | 1,311,289 | (177,093) | (63,008) | 669,183 |
| *Fund balances beginning of year As Previously Reported* | 4,228,031 | 1,918,064 | 5,273,701 | 6,261,358 | - | 636,323 | 18,317,477 |
| Restatements/Adjustments - See Note 15 | - | - | - | - | 423,031 | (423,031) | - |
| *Restated/Adjusted Fund Balances Beginning of Year* | 4,228,031 | 1,918,064 | 5,273,701 | 6,261,358 | 423,031 | 213,292 | 18,317,477 |
| *Fund balances end of year* | $ 4,133,855 | $ 2,007,816 | $ 4,876,120 | $ 7,572,647 | $ 245,938 | $ 150,284 | $ 18,986,660 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Receipts, Disbursements and Changes*
*In Fund Balance - Budget and Actual - Budget Basis*
*General Fund*
*For the Year Ended December 31, 2025*

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Receipts** | | | | |
| Property and other local taxes | $ 5,236,893 | $ 5,303,632 | $ 5,475,932 | $ 172,300 |
| Public library | 3,448,343 | 3,448,343 | 3,508,580 | 60,237 |
| Intergovernmental | 700,627 | 709,556 | 689,251 | (20,305) |
| Patron fines and fees | 59,000 | 59,000 | 71,539 | 12,539 |
| Payments in lieu of taxes | 9,000 | 9,000 | 8,218 | (782) |
| Contributions, gifts and donations | 31,000 | 31,000 | 36,842 | 5,842 |
| Earnings on investments | 220,200 | 220,200 | 520,303 | 300,103 |
| Miscellaneous | 8,300 | 8,300 | 40,985 | 32,685 |
| *Total Receipts* | 9,713,363 | 9,789,031 | 10,351,650 | 562,619 |
| **Disbursements** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public service and programs | 4,324,510 | 4,309,634 | 3,725,435 | 584,199 |
| Collection development and processing | 1,877,788 | 1,886,041 | 1,896,124 | (10,083) |
| Support Services: | | | | |
| Facilities operation and maintenance | 1,173,389 | 1,188,668 | 1,096,728 | 91,940 |
| Information technology services | 898,170 | 895,848 | 786,697 | 109,151 |
| Business administration | 1,576,125 | 1,569,791 | 1,355,162 | 214,629 |
| Capital outlay | 170,000 | 170,000 | 52,936 | 117,064 |
| *Total Disbursements* | 10,019,982 | 10,019,982 | 8,913,082 | 1,106,900 |
| *Excess of Receipts Over (Under) Disbursements* | (306,619) | (230,951) | 1,438,568 | 1,669,519 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers out | (495,583) | (1,795,583) | (1,795,583) | - |
| *Total Other Financing Sources (Uses)* | (495,583) | (1,795,583) | (1,795,583) | - |
| Net change in fund balance | (802,202) | (2,026,534) | (357,015) | 1,669,519 |
| Fund balance at beginning of year | 3,935,802 | 3,935,802 | 3,935,802 | - |
| Prior year encumbrances appropriated | 292,229 | 292,229 | 292,229 | - |
| Fund balance at end of year | $ 3,425,829 | $ 2,201,497 | $ 3,871,016 | $ 1,669,519 |

*See accompanying notes to the basic financial statements.*

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

The Geauga County Public Library was organized as a county district public library in 1963 under the laws of the State of Ohio. The Library has its own seven member Board of Trustees who are appointed by the Geauga County Commissioners and the Geauga County Court of Common Pleas, as established by section 3375.19 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, possessing and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Library Trustees appoints a Director, Fiscal Officer, and Deputy Fiscal Officer to administer the day-to-day operations of the Library.

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.

### *Public Entity Risk Pool*

The Library participates in public entity risk pools, including the Stark County Schools Council of Government and the Ohio Plan Risk Managements, Inc. Note 12 to the basic financial statements provides additional information for these entities.

The Geauga County Library Foundation is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Geauga County Public Library does not receive amounts from the Geauga County Library Foundation that the State would consider significant. Therefore, the organization has been excluded from the reporting entity of the Library.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

## Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America ("GAAP"). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board ("GASB") pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are as follows.

### *Basis of Presentation*

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

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the Library. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, the Library has only governmental activities; therefore, no business-type activities are presented.

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

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

***Fund Accounting***

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Library are financed. The following is the Library's major governmental funds:

> ***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Capital Improvement Bonds Fund*** The capital improvement bonds fund accounts for and reports revenues derived from general obligation notes and bonds. These monies are restricted for construction and renovation of Library buildings.
>
> ***Building Repair Reserve Fund*** The building repair reserve capital projects fund accounts for and reports transfers from the general fund committed for repair and renovation of Library buildings throughout the library system.
>
> ***Chardon Capital Reserve Fund*** Chardon capital reserve capital projects fund accounts for and reports transfers from the general fund committed for acquisition, construction, and improvements to be made for the Chardon branch of the Library.

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

***Debt Service Fund*** The debt service funds accounts for and reports revenues derived from property taxes that are restricted for debt payments.

The other governmental funds of the Library account for endowments and other resources whose use is restricted to a particular purpose.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

***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."

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

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

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

During 2025, investments were limited to STAR Ohio, money market, US treasury notes, and donated stock accounts. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market mutual fund investment is recorded at the amount reported by First National Bank on December 31, 2025.

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

STAR Ohio reserves the right to limit participant transactions to $250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of $100 million or more. For 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2025 was $520,303, which includes $374,090 assigned from other Library funds.

***Restricted Assets***

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

***Inventory and Prepaid Items***

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

***Capital Assets***

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

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

***Accumulated Leave***

For the Library, a compensated absence includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The Library does not offer noncash settlements.

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

***Employer Contributions to Cost-Sharing Pension Plans***

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Long-Term Obligations***

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

***Leases***

The Library is the lessee (as defined by GASB 87) in various leases related to equipment under noncancelable leases. Intangible right to use asset/lease payable are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid.

***Net Position***

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

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

***Fund Balance***

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

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Library Trustees assigned fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

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

***Internal Activity***

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 receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

## Note 2 - Summary of Significant Accounting Policies (continued)

### *New Accounting Pronouncements*

For 2025, the Library implemented GASB Statement No. 102, *Certain Risk Disclosures,* but had no disclosures related to concentrations or constraints. This GASB pronouncement relates to note disclosure only and had no effect on beginning net position/fund balance.

## Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).

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

| | General |
|---|---|
| Cash Basis | $ 4,133,855 |
| Encumbrances | (262,839) |
| Budget Basis | $ 3,871,016 |

## Note 4 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds for 2025 are presented below:

| 2025 Fund Balances | General | Building Repair - Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| Restricted for | | | | | | | |
| Capital Improvement Projects | $ - | $ - | $ 4,876,120 | $ - | $ - | $ - | $ 4,876,120 |
| Debt Purposes | - | - | - | - | 245,938 | - | 245,938 |
| Other Purposes | - | - | - | - | - | 150,284 | 150,284 |
| Total restricted | - | - | 4,876,120 | - | 245,938 | 150,284 | 5,272,342 |
| Committed to | | | | | | | |
| Capital Improvement Projects | - | 2,007,816 | - | 7,572,647 | - | - | 9,580,463 |
| Total Committed | - | 2,007,816 | - | 7,572,647 | - | - | 9,580,463 |
| Assigned | | | | | | | |
| Encumbrances | 262,839 | | | - | - | - | 262,839 |
| Subsequent Year Appropriations | 797,829 | | | - | - | - | 797,829 |
| Total assigned | 1,060,668 | - | - | - | - | - | 1,060,668 |
| Unassigned | 3,073,187 | - | - | - | - | - | 3,073,187 |
| Total fund balances | $4,133,855 | $2,007,816 | $ 4,876,120 | $7,572,647 | $ 245,938 | $ 150,284 | $18,986,660 |

## Note 5 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Library 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.

**Note 5 - Deposits and Investments (continued)**

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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 bonds and other obligations of political subdivisions of the State of Ohio;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Note 5 - Deposits and Investments (continued)**

***Deposits***

Custodial credit risk for deposits 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 the possession of an outside party. At December 31, 2025, $496,398 of the Library's bank balance of $3,744,255 was exposed to custodial credit risk because those deposits were insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

> Eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

***Investments***

As of December 31, 2025, the Library had the following investments:

| Investment | Measurement Amount | Maturity | Moody's | Percent of Total Investments |
|---|---|---|---|---|
| STAR Ohio | $10,026,637 | 28.2 Average Days | N/A | N/A |
| Money Market | 278,644 | Less than 1 Year | N/A | N/A |
| US Treasury Notes | 4,970,046 | Less than 1 Year | AA | 32.46% |
| Common and Preferred Stock | 36,923 | Less than 1 Year | N/A | N/A |
| Total Portfolio | $15,312,250 | | | |

***Interest Rate Risk*** Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

***Credit Risk*** STAR Ohio carries a rating of AAAm by Standard and Poor's. 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 statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

## Note 5 - Deposits and Investments (continued)

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's money market account, US treasury notes and federal home loan bank notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Library's name. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

***Concentration of Credit Risk*** The Library places no limit on the amount it may invest in any one issuer.

## Note 6 – Grants in Aid, Property Taxes and Tax Abatements

### *Grants in Aid*

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the amount appropriated by the general assembly for the public library fund for the fiscal year. The state distributes amounts from the public library fund as required under section 5747 of the Ohio Revised Code during the same month in which it is credited to the fund. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

### *Property Taxes*

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2025 for real and public utility property taxes represents collections of 2024 taxes.

2025 real property taxes are levied after October 1, 2025, on the assessed value as of January 1, 2025, the lien date. Assessed values are established by State law at 35% of appraised market value. 2025 real property taxes are collected in and intended to finance 2026.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2025 public utility property taxes which became a lien December 31, 2024, are levied after October 1, 2025, and are collected in 2026 with real property taxes.

## Note 6 – Grants in Aid, Property Taxes and Tax Abatements

The full tax rate for all Library operations for the year ended December 31, 2025 was $2.50 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2025 property tax receipts were based are as follows:

| Property Category | Assessed Value |
|---|---|
| Real Property | $ 3,801,210,300 |
| Public Utilities | 145,166,830 |
| Other | 404,868,300 |
| Total | $ 4,351,245,430 |

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

### *Tax Abatements*

For 2025, the Library's property taxes were reduced by $78,219 under various tax abatement agreements entered into by the following overlapping governments:

| Overlapping Government | Amount of 2025 Taxes Abated |
|---|---|
| *Community Reinvestment Areas:* | |
| City of Chardon | $ 16,949 |
| Village of Middlefield | 16,949 |
| Parkman Township | 873 |
| Bainbridge Township | 11 |
| *Total CRA* | 34,782 |
| *Tax Incentive Financing:* | |
| City of Chardon | 25,212 |
| Bainbridge Township | 18,225 |
| *Total TIF* | 43,437 |
| Total Abatements | $ 78,219 |

## Note 7 - Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**Note 7 - Risk Management (continued)**

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31 (latest information available):

| | 2024 |
|---|---|
| Assets | $24,456,615 |
| Liabilities | (16,692,162) |
| Members' Equity | $ 7,764,453 |

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

***Workers' Compensation***

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

***Employee Health, Dental and Vision***

The Library has contracted with the Stark County Schools Council of Government (the Council) Health Benefits Program to provide employee medical/surgical and dental benefits. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays 80% of the premium for full-time employee medical and dental coverage. Employees pay the remainder of the premium for medical and dental coverage. The monthly premiums paid by the Library for 2025 totaled $44,723.

**Note 8 - Defined Benefit Pension Plan**

***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 two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan.

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

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

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.

## Note 8 - Defined Benefit Pension Plan (continued)

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

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>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:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| **Traditional Plan Formula:**<br>**(Excluding Combined Plan Division)**<br>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:**<br>**(Excluding Combined Plan Division)**<br>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:**<br>**(Excluding Combined Plan Division)**<br>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 Division Formula:**<br>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 Division Formula:**<br>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 Division Formula:**<br>1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |

Traditional pension plan state and local members (excluding the combined plan division) 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 division members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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, current law provides for an annual cost-of-living adjustment (COLA) is provided. 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 division receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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

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

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

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

| | Traditional Pension Plan State and Local Divisions | |
|---|---|---|
| | Excluding Combined Plan Division | Combined Plan Division |
| 2025 Statutory Maximum Contribution Rates | | |
| Employer | 14.0 % | 14.0 % |
| Employee* | 10.0 % | 10.0 % |
| | | |
| 2025 Actual Contribution Rates | | |
| Employer | | |
| Pension** | 14.0 % | 12.0 % |
| Post-employment Health Care Benefits** | 0.0 % | 2.0 % |
| | | |
| Total Employer | 14.0 % | 14.0 % |
| | | |
| Employee | 10.0 % | 10.0 % |

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

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4% for 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 actuarily determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2025, The Library's contractually required contribution was $573,491 for the traditional plan (excluding combined plan division), $13,998 for the combined plan division and $34,723 for the member-directed plan.

**Note 9 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension 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.

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 traditional pension plan and combined plan 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; or

***Group C*** 32 years of total service cred 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 heath care service credit and at least age 52; or

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

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.

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

Members with a retirement date on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but 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 |
|---|---|---|
| **Age and Service Requirements** | **Age and Service Requirements** | **Age and Service Requirements** |
| ***December 1, 2014 or Prior*** | ***December 1, 2014 or Prior*** | ***December 1, 2014 or Prior*** |
| Any Age with 10 years of service credit | Any Age with 10 years of service credit | Any Age with 10 years of service credit |
| ***January 1, 2015 through December 31, 2021*** | ***January 1, 2015 through December 31, 2021*** | ***January 1, 2015 through December 31, 2021*** |
| 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.

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51% and 90% of the base allowance for both non-Medicare and Medicare retirees.

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

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. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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% 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 a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, state and local employers contributed at a rate of 14% 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 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. 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 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was $0 for the year 2025.

**Note 10 – Long-Term Obligations**

Original issue amounts and interest rates of the Library's debt issues are as follows:

| Debt Issue | Interest Rate | Original Issue | Year of Maturity |
|---|---|---|---|
| **Governmental Activities:** | | | |
| *General Obligation Bonds* | | | |
| Library Improvement Bonds, Series A | 2.0 - 5.0% | $ 14,000,000 | 2047 |
| Library Improvement Bonds, Series B | 2.5 - 4.0% | 9,920,000 | 2042 |

A schedule of changes in bonds and other long-term obligations of the Library during 2025 follows:

| | Amount Outstanding 12/31/2024 | Additions | Deletions | Amount Outstanding 12/31/2025 | Amounts Due In One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| *General Obligation Bonds* | | | | | |
| Library Improvement Bonds, Series A | $10,735,000 | $ - | $ (560,000) | $ 10,175,000 | $ 575,000 |
| Library Improvement Bonds, Series A - Premium | 491,900 | - | (22,025) | 469,875 | - |
| Library Improvement Bonds, Series A - Discount | (126,557) | - | 5,668 | (120,889) | - |
| Library Improvement Bonds, Series B | 9,745,000 | - | (25,000) | 9,720,000 | 25,000 |
| Library Improvement Bonds, Series B - Premium | 209,253 | - | (12,015) | 197,238 | - |
| Library Improvement Bonds, Series B - Discount | (70,956) | - | 4,074 | (66,882) | - |
| *Total Governmental Activities Obligations* | $ 20,983,640 | $ - | $ (609,298) | $ 20,374,342 | $ 600,000 |

During 2018, the Library issued $14,000,000 in Library Improvement, Series A, General Obligation Bonds for the purpose of constructing, renovating and improving Library facilities. The bonds were sold at a premium of $638,737 and a discount of $164,334. These Library Improvement, Series A, General Obligation Bonds will be paid from property tax revenues in the debt service fund.

**Note 10 – Long-Term Obligations (continued)**

The Library Improvement, Series A, General Obligation Bonds maturing on December 1, 2030, 2043 and 2047 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

| | Issue | | |
|---|---|---|---|
| Year | $1,185,000 | $3,420,000 | $4,995,000 |
| 2027 | $ 600,000 | $ - | $ - |
| 2028 | 375,000 | - | - |
| 2029 | 100,000 | - | - |
| 2031 | - | 175,000 | - |
| 2032 | - | 175,000 | - |
| 2033 | - | 170,000 | - |
| 2034 | - | 175,000 | - |
| 2035 | - | 175,000 | - |
| 2036 | - | 175,000 | - |
| 2037 | - | 170,000 | - |
| 2038 | - | 170,000 | - |
| 2039 | - | 180,000 | - |
| 2040 | - | 240,000 | - |
| 2041 | - | 245,000 | - |
| 2042 | - | 240,000 | - |
| 2044 | - | - | 1,185,000 |
| 2045 | - | - | 1,225,000 |
| 2046 | - | - | 1,270,000 |
| Total mandatory sinking fund payments | 1,075,000 | 2,290,000 | 3,680,000 |
| Amount due at maturity | 110,000 | 1,130,000 | 1,315,000 |
| Total | $1,185,000 | $3,420,000 | $4,995,000 |
| *Stated Maturity* | *12/1/2030* | *12/1/2043* | *12/1/2047* |

During 2018, the Library issued $9,920,000 in Library Improvement, Series B, General Obligation Bonds for the purpose of bonding previously issued notes for the purpose of constructing, renovating and improving library facilities. The bonds were sold at a premium of $288,348 and a discount or $97,777. These Library Improvement, Series B, General Obligation Bonds will be paid from property tax revenues in the debt service fund.

**Note 10 – Long-Term Obligations (continued)**

The Library Improvement, Series B, General Obligation Bonds maturing on December 1, 2028 and 2042 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

| | Issue | |
|---|---|---|
| Year | $300,000 | $3,965,000 |
| 2026 | $ 25,000 | $ - |
| 2027 | 25,000 | - |
| 2038 | - | 765,000 |
| 2039 | - | 790,000 |
| 2040 | - | 765,000 |
| 2041 | - | 800,000 |
| Total mandatory sinking fund payments | 50,000 | 3,120,000 |
| Amount due at maturity | 250,000 | 845,000 |
| Total | $300,000 | $3,965,000 |
| *Stated Maturity* | *12/1/2028* | *12/1/2042* |

The Library leases copiers under noncancelable leases. The Library disbursed $33,755 to pay lease costs for the year ended December 31, 2025. Future lease payments are as follows:

| | Leases |
|---|---|
| 2026 | $ 29,987 |
| 2027 | 11,058 |
| 2028 | 730 |
| Present Value of Minimum Lease Payments | $ 41,775 |

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2025, are as follows:

| | General Obligation Bonds | |
|---|---|---|
| | Principal | Interest |
| 2026 | $ 600,000 | $ 778,175 |
| 2027 | 625,000 | 754,363 |
| 2028 | 625,000 | 735,550 |
| 2029 | 650,000 | 716,175 |
| 2030 | 670,000 | 695,300 |
| 2031-2035 | 3,805,000 | 3,038,600 |
| 2036-2040 | 4,665,000 | 2,176,300 |
| 2041-2045 | 5,670,000 | 1,158,400 |
| 2046-2050 | 2,585,000 | 141,375 |
| Total | $19,895,000 | $10,194,238 |

## Note 11- Interfund Transfers

During 2025, the following transfers were made:

| Transfers To | Transfers From General Fund |
|---|---|
| Building Repair Reserve Fund | $ 495,583 |
| Chardon Capital Reserve Fund | 1,300,000 |
| Totals | $ 1,795,583 |

The above-mentioned transfers from the general fund to the building reserve and Chardon capital reserve capital projects funds were used to move unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Note 12 – Public Entity Risk Pool

During 2025, the Library participated in the Stark County Schools Council of Government (the Council). The Council is a shared risk pool which is governed by an assembly which consists of one representative from each participating member. The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool. Financial information can be obtained from the Stark County Schools Council of Governments, 2100 38th Street NW, Canton, OH 44709.

## Note 13 – Significant Commitments

### *Encumbrances*

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|---|---|
| General | $ 262,839 |
| Building Repair Reserve Fund | 48,835 |
| Capital Improvement - Bonds | 1,434,684 |
| Chardon Capital Reserve | 13,289 |
| Other Governmental Funds | 597 |
| Total Governmental | $1,760,244 |

**Note 13 – Significant Commitments (continued)**

***Contractual Commitments***

At December 31, 2025, the Library's significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid To Date | Remaining Contract |
|---|---|---|---|
| Geauga Mechanical, Inc. | $ 48,835 | $ - | $ 48,835 |
| Bostwick Design Partnership | 1,653,600 | 316,821 | 1,336,779 |
| Terracon | 15,000 | - | 15,000 |
| Bricker Graydon LLP | 60,000 | 30,000 | 30,000 |
| Ibold & O'Brien | 4,000 | 2,610 | 1,390 |
| Corbus Library Consultants | 24,000 | - | 24,000 |
| Regency Construction Services | 49,437 | 21,922 | 27,515 |
| Cramer & Associates | 36,500 | 23,211 | 13,289 |
| | $1,891,372 | $ 394,564 | $1,496,808 |

The amounts remaining on these amounts were encumbered at year end.

**Note 14 – Contingent Liabilities**

The Library may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Library's financial condition.

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 15 – Change in Accounting Principle**

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. GASB Statement No. 100 was incorporated into the financial statements of the Library as shown on the table below:

## Note 15 – Change in Accounting Principle (continued)

| | 12/31/2024 As Previously Reported | Changes within the Financial Reporting Entity<br>Changes between Major and Non Major Funds | 12/31/2024 As Restated |
|---|---|---|---|
| **Government-Wide** | | | |
| Governmental Activities | $ 18,317,477 | $ - | $ 18,317,477 |
| **Total Primary Government** | 18,317,477 | - | 18,317,477 |
| | | | |
| **Governmental Funds** | | | |
| Major Funds | | | |
| General Fund | 4,228,031 | - | 4,228,031 |
| Building Repair - Reserve Fund | 1,918,064 | - | 1,918,064 |
| Capital Improvement - Bonds Fund | 5,273,701 | - | 5,273,701 |
| Chardon Capital Reserve Fund | 6,261,358 | - | 6,261,358 |
| Debt Service Fund | - | 423,031 | 423,031 |
| Non Major Funds | 636,323 | (423,031) | 213,292 |
| **Total Governmental Funds** | $ 18,317,477 | $ - | $ 18,317,477 |

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The management's discussion and analysis of the Geauga County Public Library ("the Library") financial performance provides an overview of the Library's financial activities for the year ended December 31, 2024, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

## Highlights

Key highlights for 2024 are as follows:

- During 2024, total net position decreased as overall disbursements exceeded receipts mainly due to increased costs from capital outlay.
- The Library Board of Trustees purchased property for an expanded and updated Chardon Branch.
- The Library continues to fund their Building Repair Reserve Fund and Chardon Capital Reserve Fund to ensure financial stability. Transfers from the General Fund to the Building Repair Reserve Fund totaled $495,583 and transfers from the General Gund to the Chardon Capital Reserve Fund totaled $1,250,000.

## Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

### Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular purpose. These statements present financial information by fund, presenting the major funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the governmental-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

### Basis of Accounting

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

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable), and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

## Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2024 within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well, such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, and the need for continued growth in the major local revenue sources such as property taxes and Public Library Fund (PLF).

In the statement of net position and the statement of activities, the Library reports governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and the library materials and information. These services are primarily funded by property taxes and PLF. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

## Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major funds, not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that restricted use funds are being spent for their intended purposes. All of the Library's funds are accounted for as governmental funds.

*Governmental Funds* The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the general fund, the debt service fund, the capital improvement bonds fund, the building reserve fund and the Chardon capital reserve fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

## The Library as a Whole

Table 1 provides a summary of the Library's net position for 2024 compared to 2023 on a cash basis:

(Table 1)
**Net Position**

| | Governmental Activities | | |
|---|---|---|---|
| | 2024 | 2023 | Change |
| **Assets** | | | |
| Equity in Pooled Cash and Cash Equivalents | $18,317,477 | $18,905,653 | $ (588,176) |
| | | | |
| **Net Position** | | | |
| Restricted for: | | | |
| Capital Projects | $ 5,273,701 | $ 6,238,589 | $ (964,888) |
| Debt Service | 423,031 | 732,964 | (309,933) |
| Other Purposes | 213,292 | - | 213,292 |
| Unrestricted | 12,407,453 | 11,934,100 | 473,353 |
| | | | |
| *Total Net Position* | $18,317,477 | $18,905,653 | $ (588,176) |

During 2024, total net position decreased due to disbursements exceeded receipts, mainly due to an increase in capital outlay.

Table 2 reflects the changes in net position in 2024 compared to 2023 on a cash basis:

(Table 2)
**Change in Net Position**

| | Governmental Activities | | |
|---|---|---|---|
| | 2024 | 2023 | Change |
| **Receipts** | | | |
| ***Program Receipts*** | | | |
| Charges for Services and Sales | $ 62,202 | $ 61,369 | $ 833 |
| Operating Grants, Contributions and Interest | 254,000 | - | 254,000 |
| ***General Receipts:*** | | | |
| Property Taxes | 6,383,053 | 6,407,074 | (24,021) |
| Public Library | 3,439,199 | 3,629,931 | (190,732) |
| Unrestricted Gifts and Contributions | 57,224 | 19,895 | 37,329 |
| Grants and Entitlements not Restricted to Specific Programs | 697,811 | 723,271 | (25,460) |
| Payments in Lieu of Taxes | 9,424 | - | 9,424 |
| Earnings on Investments | 970,248 | 693,155 | 277,093 |
| Miscellaneous | 36,835 | 31,471 | 5,364 |
| *Total General Receipts* | 11,593,794 | 11,504,797 | 88,997 |
| *Total Receipts* | 11,909,996 | 11,566,166 | 343,830 |
| **Disbursements** | | | |
| Current: | | | |
| Library Services: | | | |
| Public Services and Programs | 3,854,673 | 3,758,692 | (95,981) |
| Collection Development and Processing | 1,730,359 | 1,659,566 | (70,793) |
| Support Services: | | | |
| Facilities Operation and Maintenance | 985,106 | 981,778 | (3,328) |
| Information Services | 750,268 | 688,529 | (61,739) |
| Business Administration | 1,442,416 | 1,268,130 | (174,286) |
| Capital Outlay | 2,355,200 | 640,061 | (1,715,139) |
| Debt Service: | | | |
| Principal Retirement | 565,000 | 550,000 | (15,000) |
| Interest and Fiscal Charges | 815,150 | 828,900 | 13,750 |
| *Total Disbursements* | 12,498,172 | 10,375,656 | (2,122,516) |
| Change in Net Position | (588,176) | 1,190,510 | 2,466,346 |
| Net Position Beginning of Year | 18,905,653 | 17,715,143 | 1,190,510 |
| Net Position End of Year | $18,317,477 | $18,905,653 | $3,656,856 |

Interest receipts increased during 2024 due to increased cash available to invest and higher interest rates.

Disbursements for library services represent the costs of running the Library. Disbursements for support services represent the overhead costs of running the Library and the support services provided for the other Library activities. Disbursements for capital outlay represent costs for capital projects for the Library. Capital outlay increased as the Library made various improvements to its facilities. Overall, total disbursements increased in 2024, mainly due to the Library spending more on support services and capital projects. However, the Library continues to diligently monitor their spending and costs of service.

**Governmental Activities**

If you look at the statement of activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are library services, support services, and capital outlay. The next column of the statement, under 'Program Cash Receipts,' identifies amounts paid by those who are directly charged for the service. The 'Net (Disbursements) Receipts and Changes in Net Position' column compares the program receipts to the cost of the services. This net cost amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

**Governmental Activities**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| **Disbursements** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public Services and Programs | $3,854,673 | $3,538,471 | $3,758,692 | $3,697,323 |
| Collection Development and Processing | 1,730,359 | 1,730,359 | 1,659,566 | 1,659,566 |
| Support Services: | | | | |
| Facilities Operation and Maintenance | 985,106 | 985,106 | 981,778 | 981,778 |
| Information Services | 750,268 | 750,268 | 688,529 | 688,529 |
| Business Administration | 1,442,416 | 1,442,416 | 1,268,130 | 1,268,130 |
| Capital Outlay | 2,355,200 | 2,355,200 | 640,061 | 640,061 |
| Debt Service | 1,380,150 | 1,380,150 | 1,378,900 | 1,378,900 |
| *Total Disbursements* | $12,498,172 | $12,181,970 | $10,375,656 | $10,314,287 |

## The Library's Funds

Total governmental funds had receipts in 2024 of $11,909,996 and disbursements of $12,498,172. The fund balance of the general fund decreased $104,633 in 2024 primarily due to increases in several disbursement categories including collection development and processing. The general fund made transfers during 2024 to the building reserve and Chardon capital reserve capital projects funds. The fund balance of the capital improvement fund decreased $964,888 in 2024 primarily due to disbursements outpacing receipts during 2024.

## General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During 2024, the Library's general fund budget was stable. Actual receipts were higher than final budgeted receipts, primarily due to higher than expected property and other local tax receipts as well as contributions, gifts and donation receipts. Final disbursements for 2024 were budgeted at $11,755,341, while actual disbursements were $10,683,122. Maintaining actual disbursements below projected levels allowed the Library to carryover a positive fund balance at year end.

## Debt Administration

At December 31, 2024, the Library had Library Improvement Bonds and equipment leases. See Note 10 for additional information.

## Current Issues

The Library continues to deal with the effects of inflation and supply chain issues which continue to increase expenses for supplies and equipment.

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue.

The Library continues to closely monitor its budget and is committed to maintaining long term sustainability to continue to provide quality services to the community.

## Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Havlin, Fiscal Officer, Geauga County Public Library, 12701 Ravenwood Drive, Chardon, Ohio 44024.

**Geauga County Public Library**
**Geauga County**
*Statement of Net Position - Cash Basis*
*December 31, 2024*

| | Governmental Activities |
|---|---|
| **Assets** | |
| Equity in Pooled Cash and Cash Equivalents | $ 18,317,477 |
| *Total Assets* | 18,317,477 |
| | |
| **Net Position** | |
| Restricted for: | |
| Capital Projects | 5,273,701 |
| Debt Service | 423,031 |
| Other Purposes | 213,292 |
| Unrestricted | 12,407,453 |
| *Total Net Position* | $ 18,317,477 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Activities - Cash Basis*
*For the Year Ended December 31, 2024*

| | | Program Cash Receipts | | Net (Disbursements) Receipts and Changes in Net Position |
|---|---|---|---|---|
| | Cash Disbursements | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities |
| **Governmental Activities** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public Services and Programs | $ 3,854,673 | $ 62,202 | $ 254,000 | $ (3,538,471) |
| Collection Development and Processing | 1,730,359 | - | - | (1,730,359) |
| Support Services: | | | | |
| Facilities Operation and Maintenance | 985,106 | - | - | (985,106) |
| Information Services | 750,268 | - | - | (750,268) |
| Business Administration | 1,442,416 | - | - | (1,442,416) |
| Capital Outlay | 2,355,200 | - | - | (2,355,200) |
| Debt Service: | | | | |
| Principal Retirement | 565,000 | - | - | (565,000) |
| Interest and Fiscal Charges | 815,150 | - | - | (815,150) |
| *Total Governmental Activities* | $ 12,498,172 | $ 62,202 | $ 254,000 | (12,181,970) |

| | |
|---|---|
| General Receipts: | |
| Property Taxes Levied for: | |
| General Purposes | 6,383,053 |
| Public Library | 3,439,199 |
| Unrestricted Gifts and Contributions | 57,224 |
| Grants/Entitlements not Restricted to Specific Programs | 707,235 |
| Earnings on Investments | 970,248 |
| Miscellaneous | 36,835 |
| *Total General Receipts* | 11,593,794 |
| Change in Net Position | (588,176) |
| *Net Position Beginning of Year* | 18,905,653 |
| *Net Position End of Year* | $ 18,317,477 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Cash Basis Assets and Fund Balances*
*Governmental Funds*
*December 31, 2024*

| | General | Building Repair-Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | $ 4,228,031 | $ 1,918,064 | $5,273,701 | $ 6,261,358 | $ 636,323 | $ 18,317,477 |
| *Total Assets* | 4,228,031 | 1,918,064 | 5,273,701 | 6,261,358 | 636,323 | 18,317,477 |
| **Fund Balances** | | | | | | |
| Restricted | - | - | 5,273,701 | - | 636,323 | 5,910,024 |
| Committed | - | 1,918,064 | - | 6,261,358 | - | 8,179,422 |
| Assigned | 1,094,431 | - | - | - | - | 1,094,431 |
| Unassigned (Deficit) | 3,133,600 | - | - | - | - | 3,133,600 |
| *Total Fund Balances* | $ 4,228,031 | $ 1,918,064 | $ 5,273,701 | $ 6,261,358 | $ 636,323 | $ 18,317,477 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*
*Governmental Funds*
*For the Year Ended December 31, 2024*

| | General | (Formerly Major) Debt Service | Building Repair - Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|
| **Receipts** | | | | | | | |
| Property and Other Local Taxes | $ 5,366,636 | $ - | $ - | $ - | $ - | $ 1,016,417 | $ 6,383,053 |
| Public Library | 3,439,199 | - | - | - | - | - | 3,439,199 |
| Intergovernmental | 693,611 | - | - | - | - | 13,624 | 707,235 |
| Patron Fines and Fees | 62,202 | - | - | - | - | - | 62,202 |
| Contributions, Gifts and Donations | 61,224 | - | - | - | - | 250,000 | 311,224 |
| Earnings on Investments | 562,141 | - | - | 353,420 | - | 54,687 | 970,248 |
| Miscellaneous | 36,835 | - | - | - | - | - | 36,835 |
| *Total Receipts* | 10,221,848 | - | - | 353,420 | - | 1,334,728 | 11,909,996 |
| **Disbursements** | | | | | | | |
| Current: | | | | | | | |
| Library Services: | | | | | | | |
| Public Services and Programs | 3,854,673 | - | - | - | - | - | 3,854,673 |
| Collection Development and Processing | 1,730,359 | - | - | - | - | - | 1,730,359 |
| Support Services: | | | | | | | |
| Facilities Operation and Maintenance | 952,041 | - | 33,065 | - | - | - | 985,106 |
| Information Services | 749,418 | - | - | - | - | 850 | 750,268 |
| Business Administration | 1,328,210 | - | - | 99,695 | - | 14,511 | 1,442,416 |
| Capital Outlay | 30,609 | - | 1,016,387 | 1,218,613 | - | 89,591 | 2,355,200 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | - | - | - | 565,000 | 565,000 |
| Interest and Fiscal Charges | - | - | - | - | - | 815,150 | 815,150 |
| *Total Disbursements* | 8,645,310 | - | 1,049,452 | 1,318,308 | - | 1,485,102 | 12,498,172 |
| *Excess of Receipts Over (Under) Disbursements* | 1,576,538 | - | (1,049,452) | (964,888) | - | (150,374) | (588,176) |
| **Other Financing Sources (Uses)** | | | | | | | |
| Transfers In | 64,412 | - | 495,583 | - | 1,250,000 | - | 1,809,995 |
| Transfers Out | (1,745,583) | - | - | - | - | (64,412) | (1,809,995) |
| *Total Other Financing Sources (Uses)* | (1,681,171) | - | 495,583 | - | 1,250,000 | (64,412) | - |
| *Net Change in Fund Balances* | (104,633) | - | (553,869) | (964,888) | 1,250,000 | (214,786) | (588,176) |
| *Fund Balances Beginning of Year As Previously Reported* | 4,332,664 | 732,964 | 2,471,933 | 6,238,589 | 5,011,358 | 118,145 | 18,905,653 |
| Restatements/Adjustments - See Note 15 | - | (732,964) | - | - | - | 732,964 | - |
| *Restated/Adjusted Fund Balances Beginning of Year* | 4,332,664 | - | 2,471,933 | 6,238,589 | 5,011,358 | 851,109 | 18,905,653 |
| *Fund Balances End of Year* | $ 4,228,031 | $ - | $ 1,918,064 | $ 5,273,701 | $ 6,261,358 | $ 636,323 | $ 18,317,477 |

*See accompanying notes to the basic financial statements.*

**Geauga County Public Library**
**Geauga County**
*Statement of Receipts, Disbursements and Changes*
*In Fund Balance - Budget and Actual - Budget Basis*
*General Fund*
*For the Year Ended December 31, 2024*

| | Budgeted Amounts | | | (Optional) |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| **Receipts** | | | | |
| Property and Other Local Taxes | $ 5,198,545 | $ 5,236,893 | $ 5,366,636 | $ 129,743 |
| Public Library | 3,429,007 | 3,393,868 | 3,439,199 | 45,331 |
| Intergovernmental | 695,496 | 700,626 | 693,611 | (7,015) |
| Patron Fines and Fees | 22,000 | 22,000 | 62,202 | 40,202 |
| Contributions, Gifts and Donations | 21,654 | 21,654 | 61,224 | 39,570 |
| Earnings on Investments | 198,819 | 198,819 | 562,141 | 363,322 |
| Miscellaneous | 13,028 | 13,028 | 36,835 | 23,807 |
| *Total Receipts* | 9,578,548 | 9,586,887 | 10,221,848 | 634,961 |
| **Disbursements** | | | | |
| Current: | | | | |
| Library Services: | | | | |
| Public Services and Programs | 4,355,812 | 4,355,812 | 3,889,229 | 466,583 |
| Collection Development and Processing | 2,103,894 | 2,103,894 | 1,878,530 | 225,364 |
| Support Services: | | | | |
| Facilities Operation and Maintenance | 1,126,173 | 1,126,173 | 1,005,540 | 120,633 |
| Information Services | 883,445 | 883,445 | 788,813 | 94,632 |
| Business Administration | 1,504,783 | 1,504,783 | 1,343,595 | 161,188 |
| Capital Outlay | 35,651 | 35,651 | 31,832 | 3,819 |
| *Total Disbursements* | 10,009,758 | 10,009,758 | 8,937,539 | 1,072,219 |
| *Excess of Receipts Over (Under) Disbursements* | (431,210) | (422,871) | 1,284,309 | 1,707,180 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers In | - | - | 64,412 | 64,412 |
| Transfers Out | (745,583) | (1,745,583) | (1,745,583) | - |
| *Total Other Financing Sources (Uses)* | (745,583) | (1,745,583) | (1,681,171) | 64,412 |
| *Net Change in Fund Balance* | (1,176,793) | (2,168,454) | (396,862) | 1,771,592 |
| *Unencumbered Fund Balance Beginning of Year* | 4,074,790 | 4,074,790 | 4,074,790 | - |
| Prior Year Encumbrances Appropriated | 257,874 | 257,874 | 257,874 | - |
| *Unencumbered Fund Balance End of Year* | $ 3,155,871 | $ 2,164,210 | $ 3,935,802 | $ 1,771,592 |

*See accompanying notes to the basic financial statements.*

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

The Geauga County Public Library was organized as a county district public library in 1963 under the laws of the State of Ohio. The Library has its own seven member Board of Trustees who are appointed by the Geauga County Commissioners and the Geauga County Court of Common Pleas, as established by section 3375.19 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, possessing and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by Sections 3375.33 to 3375.41 of the Ohio Revised Code. The Board of Library Trustees appoints a Director, Fiscal Officer, and Deputy Fiscal Officer to administer the day-to-day operations of the Library.

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 Geauga County.

### *Public Entity Risk Pool*

The Library participates in public entity risk pools, including the Stark County Schools Council of Government and the Ohio Plan Risk Managements, Inc. Note 12 to the basic financial statements provides additional information for these entities.

The Geauga County Library Foundation is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Geauga County Public Library does not receive amounts from the Geauga County Library Foundation that the State would consider significant. Therefore, the organization has been excluded from the reporting entity of the Library.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

## Note 2 - Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America ("GAAP"). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board ("GASB") pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. The most significant of the Library's accounting policies are as follows.

## Note 2 - Summary of Significant Accounting Policies (continued)

### *Basis of Presentation*

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the Library. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, the Library has only governmental activities; therefore, no business-type activities are presented.

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

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

### *Fund Accounting*

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library's funds are all classified as governmental.

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Library are financed. The following is the Library's major governmental funds:

> ***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Capital Improvement Fund*** The capital improvement fund accounts for and reports revenues derived from general obligation notes and bonds. These monies are restricted for construction and renovation of Library buildings.

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

***Building Reserve Fund*** The building reserve capital projects fund accounts for and reports transfers from the general fund committed for repair and renovation of Library buildings throughout the library system.

***Chardon Capital Reserve Fund*** Chardon capital reserve capital projects fund accounts for and reports transfers from the general fund committed for acquisition, construction, and improvements to be made for the Chardon branch of the Library.

The other governmental funds of the Library account for endowments and other resources whose use is restricted to a particular purpose. The debt service fund is presented on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds as a formerly major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as this fund's 2024 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a "- " to indicate this amount is included with the nonmajor fund.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

***Cash and Cash Equivalents***

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

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

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

During 2024, investments were limited to STAR Ohio, money market, US treasury notes, Federal Home Loan Bank Notes, and donated stock accounts. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market mutual fund investment is recorded at the amount reported by First National Bank on December 31, 2024.

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

STAR Ohio reserves the right to limit participant transactions to $250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of $100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2024 was $562,141, which includes $408,897 assigned from other Library funds.

***Restricted Assets***

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

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

***Inventory and Prepaid Items***

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

***Capital Assets***

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

***Accumulated Leave***

For 2024, GASB Statement No. 101, *Compensated Absences,* was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The Library does not offer noncash settlements.

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

***Employer Contributions to Cost-Sharing Pension Plans***

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***Long-Term Obligations***

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

***Leases and SBITAs***

For 2024, GASB Statement No. 96, *Subscription-Based Technology Arrangements,* was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Library is the lessee (as defined by GASB 87) in various leases related to equipment under noncancelable leases. Intangible right to use asset/lease payable are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid.

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

***Net Position***

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

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

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the principal portion of trusts.

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

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

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

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

***Internal Activity***

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 receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis).

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

| | General |
|---|---|
| Cash Basis | $ 4,228,031 |
| Encumbrances | (292,229) |
| Budget Basis | $ 3,935,802 |

## Note 4 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds for 2024 are presented below:

| 2024 Fund Balances | General | Building Repair - Reserve | Capital Improvement - Bonds | Chardon Capital Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Restricted for | | | | | | |
| Capital Improvement Projects | $ - | $ - | $ 5,273,701 | $ - | $ - | $ 5,273,701 |
| Debt Purposes | - | - | - | - | 423,031 | 423,031 |
| Other Purposes | - | - | - | - | 213,292 | 213,292 |
| Total restricted | - | - | 5,273,701 | - | 636,323 | 5,910,024 |
| Committed to | | | | | | |
| Capital Improvement Projects | - | 1,918,064 | - | 6,261,358 | - | 8,179,422 |
| Total Committed | - | 1,918,064 | - | 6,261,358 | - | 8,179,422 |
| Assigned | | | | | | |
| Encumbrances | 292,229 | | | - | - | 292,229 |
| Subsequent Year Appropriations | 802,202 | | | - | - | 802,202 |
| Total assigned | 1,094,431 | - | - | - | - | 1,094,431 |
| Unassigned | 3,133,600 | - | - | - | - | 3,133,600 |
| Total fund balances | $4,228,031 | $1,918,064 | $ 5,273,701 | $6,261,358 | $ 636,323 | $18,317,477 |

## Note 5 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Library 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.

**Note 5 - Deposits and Investments (continued)**

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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 bonds and other obligations of political subdivisions of the State of Ohio;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met; and

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Note 5 - Deposits and Investments (continued)**

***Deposits***

Custodial credit risk for deposits 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 the possession of an outside party. At December 31, 2024, $536,294 of the Library's bank balance of $4,130,233 was exposed to custodial credit risk because those deposits were insured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

> Eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

***Investments***

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

| Investment | Measurement Amount | Maturity | Moody's | Percent of Total Investments |
|---|---|---|---|---|
| STAR Ohio | $ 8,578,243 | 27.2 Average Days | N/A | N/A |
| Money Market | 380,784 | Less than 1 Year | N/A | N/A |
| US Treasury Notes | 5,265,488 | Less than 1 Year | AAA | 36.92% |
| Common and Preferred Stock | 36,923 | Less than 1 Year | N/A | N/A |
| Total Portfolio | $14,261,438 | | | |

***Interest Rate Risk*** Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

***Credit Risk*** STAR Ohio carries a rating of AAAm by Standard and Poor's. 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 statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

**Note 5 - Deposits and Investments (continued)**

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's money market account, US treasury notes and federal home loan bank notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the Library's name. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

***Concentration of Credit Risk*** The Library places no limit on the amount it may invest in any one issuer.

**Note 6 – Grants in Aid, Property Taxes and Tax Abatements**

***Grants in Aid***

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

***Property Taxes***

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes are levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35% of appraised market value. 2024 real property taxes are collected in and intended to finance 2024.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

## Note 6 – Grants in Aid, Property Taxes and Tax Abatements

The full tax rate for all Library operations for the year ended December 31, 2024 was $2.50 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

| Property Category | Assessed Value |
|---|---|
| Real Property | $ 3,768,861,750 |
| Public Utilities | 131,379,770 |
| Other | 400,440,620 |
| Total | $ 4,300,682,140 |

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

***Tax Abatements***

For 2024, the Library's property taxes were reduced by $50,846 under various tax abatement agreements entered into by the following overlapping governments:

| Overlapping Government | Amount of 2024 Taxes Abated |
|---|---|
| *Community Reinvestment Areas:* | |
| City of Chardon | $ 7,541 |
| Village of Middlefield | 4,820 |
| Parkman Township | 1,794 |
| Bainbridge Township | 11 |
| *Total CRA* | 14,166 |
| *Tax Incentive Financing:* | |
| City of Chardon | 21,029 |
| Bainbridge Township | 15,651 |
| *Total TIF* | 36,680 |
| Total Abatements | $ 50,846 |

## Note 7 - Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

## Note 7 - Risk Management (continued)

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remained unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31 (latest information available):

| | 2023 |
|---|---|
| Assets | $23,113,696 |
| Liabilities | (16,078,587) |
| Members' Equity | $ 7,035,109 |

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

### *Workers' Compensation*

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

### *Employee Health, Dental and Vision*

The Library has contracted with the Stark County Schools Council of Government (the Council) Health Benefits Program to provide employee medical/surgical and dental benefits. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays 80% of the premium for full-time employee medical and dental coverage. Employees pay the remainder of the premium for medical and dental coverage. The monthly premiums paid by the Library for 2024 totaled $43,555.

## Note 8 - Defined Benefit Pension Plan

### *Ohio Public Employees Retirement System (OPERS)*

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit /defined contribution pension plan. Effective January 1, 2023, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>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:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| **Traditional Plan Formula:**<br>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:**<br>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:**<br>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:**<br>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:**<br>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:**<br>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.

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.

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA) is provided. 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 of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

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% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options 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.

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

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

| | State and Local | |
|---|---|---|
| | Traditional | Combined |
| 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** | 0.0 % | 2.0 % |
| | | |
| Total Employer | 14.0 % | 14.0 % |
| | | |
| Employee | 10.0 % | 10.0 % |

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

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

For 2024, The Library's contractually required contribution was $580,094 for the traditional plan, $13,652 for the combined plan and $28,998 for the member-directed plan.

**Note 9 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

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

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 deposited 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 traditional pension plan and combined plan 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 cred 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 heath care service credit and at least age 52;

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

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.

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

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 |
|---|---|---|
| **Age and Service Requirements** | **Age and Service Requirements** | **Age and Service Requirements** |
| ***December 1, 2014 or Prior*** | ***December 1, 2014 or Prior*** | ***December 1, 2014 or Prior*** |
| Any Age with 10 years of service credit | Any Age with 10 years of service credit | Any Age with 10 years of service credit |
| ***January 1, 2015 through December 31, 2021*** | ***January 1, 2015 through December 31, 2021*** | ***January 1, 2015 through December 31, 2021*** |
| 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% and 90% 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% 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.

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

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% 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% 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.

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% of earnable salary and public safety and law enforcement employers contributed at 18.1%. 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 and beginning July 1, 2022, there was a 2% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4%. 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 $0 for the year 2024.

**Note 10 – Long-Term Obligations**

Original issue amounts and interest rates of the Library's debt issues are as follows:

| Debt Issue | Interest Rate | Original Issue | Year of Maturity |
|---|---|---|---|
| **Governmental Activities:** | | | |
| *General Obligation Bonds* | | | |
| Library Improvement Bonds, Series A | 2.0 - 5.0% | $ 14,000,000 | 2047 |
| Library Improvement Bonds, Series B | 2.5 - 4.0% | 9,920,000 | 2042 |

## Note 10 – Long-Term Obligations (continued)

A schedule of changes in bonds and other long-term obligations of the Library during 2024 follows:

| | Amount Outstanding 12/31/2023 | Additions | Deletions | Amount Outstanding 12/31/2024 | Amounts Due In One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| *General Obligation Bonds* | | | | | |
| Library Improvement Bonds, Series A | $11,275,000 | $ - | $(540,000) | $10,735,000 | $560,000 |
| Library Improvement Bonds, Series A - Premium | 513,926 | - | (22,026) | 491,900 | - |
| Library Improvement Bonds, Series A - Discount | (132,223) | - | 5,666 | (126,557) | - |
| Library Improvement Bonds, Series B | 9,770,000 | - | (25,000) | 9,745,000 | 25,000 |
| Library Improvement Bonds, Series B - Premium | 221,267 | - | (12,014) | 209,253 | - |
| Library Improvement Bonds, Series B - Discount | (75,030) | - | 4,074 | (70,956) | - |
| *Total Governmental Activities Obligations* | $21,572,940 | $ - | $(589,300) | $20,983,640 | $585,000 |

During 2018, the Library issued $14,000,000 in Library Improvement, Series A, General Obligation Bonds for the purpose of constructing, renovating and improving Library facilities. The bonds were sold at a premium of $638,737 and a discount of $164,334. These Library Improvement, Series A, General Obligation Bonds will be paid from property tax revenues in the debt service fund.

**Note 10 – Long-Term Obligations (continued)**

The Library Improvement, Series A, General Obligation Bonds maturing on December 1, 2030, 2043 and 2047 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

| | Issue | | |
|---|---|---|---|
| Year | $1,185,000 | $3,420,000 | $4,995,000 |
| 2027 | $ 600,000 | $ - | $ - |
| 2028 | 375,000 | - | - |
| 2029 | 100,000 | - | - |
| 2031 | - | 175,000 | - |
| 2032 | - | 175,000 | - |
| 2033 | - | 170,000 | - |
| 2034 | - | 175,000 | - |
| 2035 | - | 175,000 | - |
| 2036 | - | 175,000 | - |
| 2037 | - | 170,000 | - |
| 2038 | - | 170,000 | - |
| 2039 | - | 180,000 | - |
| 2040 | - | 240,000 | - |
| 2041 | - | 245,000 | - |
| 2042 | - | 240,000 | - |
| 2044 | - | - | 1,185,000 |
| 2045 | - | - | 1,225,000 |
| 2046 | - | - | 1,270,000 |
| Total mandatory sinking fund payments | 1,075,000 | 2,290,000 | 3,680,000 |
| Amount due at maturity | 110,000 | 1,130,000 | 1,315,000 |
| Total | $1,185,000 | $3,420,000 | $4,995,000 |
| *Stated Maturity* | *12/1/2030* | *12/1/2043* | *12/1/2047* |

During 2018, the Library issued $9,920,000 in Library Improvement, Series B, General Obligation Bonds for the purpose of bonding previously issued notes for the purpose of constructing, renovating and improving library facilities. The bonds were sold at a premium of $288,348 and a discount or $97,777. These Library Improvement, Series B, General Obligation Bonds will be paid from property tax revenues in the debt service fund.

**Note 10 – Long-Term Obligations (continued)**

The Library Improvement, Series B, General Obligation Bonds maturing on December 1, 2028 and 2042 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

| | Issue | |
|---|---|---|
| Year | $300,000 | $3,965,000 |
| 2026 | $ 25,000 | $ - |
| 2027 | 25,000 | - |
| 2038 | - | 765,000 |
| 2039 | - | 790,000 |
| 2040 | - | 765,000 |
| 2041 | - | 800,000 |
| Total mandatory sinking fund payments | 50,000 | 3,120,000 |
| Amount due at maturity | 250,000 | 845,000 |
| Total | $300,000 | $3,965,000 |
| *Stated Maturity* | *12/1/2028* | *12/1/2042* |

The Library leases copiers under noncancelable leases. The Library disbursed $31,961 to pay lease costs for the year ended December 31, 2024. Future lease payments are as follows:

| | Leases |
|---|---|
| 2025 | $ 33,755 |
| 2026 | 29,987 |
| 2027 | 11,058 |
| 2028 | 730 |
| Present Value of Minimum Lease Payments | $ 75,530 |

**Note 10 – Long-Term Obligations (continued)**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2024, are as follows:

| | General Obligation Bonds | |
|---|---|---|
| | Principal | Interest |
| 2025 | $ 585,000 | $ 792,862 |
| 2026 | 600,000 | 778,175 |
| 2027 | 625,000 | 754,363 |
| 2028 | 625,000 | 735,550 |
| 2029 | 650,000 | 716,175 |
| 2030-2034 | 3,650,000 | 3,190,450 |
| 2035-2039 | 4,485,000 | 2,358,569 |
| 2040-2044 | 5,450,000 | 1,381,469 |
| 2045-2049 | 3,810,000 | 279,488 |
| Total | $ 20,480,000 | $ 10,987,101 |

**Note 11- Interfund Transfers**

During 2024, the following transfers were made:

| | Transfer From | | |
|---|---|---|---|
| Transfers To | General | Other Governmental Funds | Totals |
| General Fund | $ - | $ 64,412 | $ 64,412 |
| Building Reserve Fund | 495,583 | - | 495,583 |
| Chardon Capital Reserve Fund | 1,250,000 | - | 1,250,000 |
| Totals | $ 1,745,583 | $ 64,412 | $ 1,809,995 |

The above-mentioned transfers from the general fund to the building reserve and Chardon capital reserve capital projects funds were used to move unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the other governmental funds to the general fund were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**Note 12 – Public Entity Risk Pool**

During 2024, the Library participated in the Stark County Schools Council of Government (the Council). The Council is a shared risk pool which is governed by an assembly which consists of one representative from each participating member. The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool. Financial information can be obtained from the Stark County Schools Council of Governments, 2100 38th Street NW, Canton, OH 44709.

## Note 13 – Significant Commitments

### *Encumbrances*

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|---|---|
| General | $ 292,229 |
| Building Reserve Fund | 67,812 |
| Capital Improvement | 122,020 |
| Other Governmental Funds | 5,768 |
| Total Governmental | $ 487,829 |

### *Contractual Commitments*

At December 31, 2024, the Library's significant contractual commitments consisted of:

| Project | Contract Amount | Amount Paid To Date | Remaining Contract |
|---|---|---|---|
| GEM Electric | $ 2,000 | $ - | $ 2,000 |
| Prodigy Building Solutions LLC | 813,511 | 747,699 | 65,812 |
| Bostwick Design Partnership | 10,000 | 1,400 | 8,600 |
| MG Civil Design | 2,500 | - | 2,500 |
| Thrasher Dinsmore & Dolan | 5,000 | 3,525 | 1,475 |
| Bricker Graydon LLP | 73,000 | 11,555 | 61,445 |
| Corbus Library | 48,000 | - | 48,000 |
| | $ 954,011 | $ 764,179 | $ 189,832 |

The amounts remaining on these amounts were encumbered at year end.

## Note 14 – Contingent Liabilities

The Library may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Library's financial condition.

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

## Note 15 – Change in Accounting Principle

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. GASB Statement No. 100 was incorporated into the financial statements of the Library as shown on the table below:

| | 12/31/2023 As Previously Reported | Changes within the Financial Reporting Entity<br>Changes between Major and Non Major Funds | 12/31/2023 As Restated |
|---|---|---|---|
| **Government-Wide** | | | |
| Governmental Activities | $ 18,905,653 | $ - | $ 18,905,653 |
| **Total Primary Government** | 18,905,653 | - | 18,905,653 |
| | | | |
| **Governmental Funds** | | | |
| Major Funds | | | |
| General Fund | 4,332,664 | - | 4,332,664 |
| Building Repair - Reserve Fund | 2,471,933 | - | 2,471,933 |
| Capital Improvement - Bonds Fund | 6,238,589 | - | 6,238,589 |
| Chardon Capital Reserve Fund | 5,011,358 | - | 5,011,358 |
| Debt Service Fund | 732,964 | (732,964) | - |
| Non Major Funds | 118,145 | 732,964 | 851,109 |
| **Total Governmental Funds** | $ 18,905,653 | $ - | $ 18,905,653 |

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Geauga County Public Library
Geauga County
12701 Ravenwood Drive
Chardon, Ohio 44024

To the Library Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Geauga County Public Library, Geauga County, Ohio (the Library) as of and for the years ended December 31, 2025 and 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 June 18, 2026, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

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

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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

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

June 18, 2026

OHIO AUDITOR OF STATE
KEITH FABER

**GEAUGA COUNTY PUBLIC LIBRARY**

**GEAUGA 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 7/9/2026**

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

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION
OF BRICKER GRAYDON WYATT LLP**

Stifel, Nicolaus & Company, Incorporated
Cleveland, Ohio, as the Underwriter

We have acted as bond counsel to the Geauga County Public Library, Geauga County, Ohio (the "Library") in connection with the issuance by the Library of its $5,750,000* Library Facilities Notes, Series 2026, dated August 27, 2026* (the "Notes"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the Library and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Notes are valid and binding special obligations of the Library and shall be payable solely from the revenues received by the Library from the Public Library Fund ("PLF Receipts"), which PLF Receipts are irrevocably pledged for payment of the principal of and interest on the Notes.

2. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Library comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

3. Interest on the Notes, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio.

The Library has designated the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated August 6, 2026* relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

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* Preliminary, subject to change.

The rights of owners of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result. Our engagement as bond counsel in connection with the original issuance and delivery of the Notes is concluded upon delivery of this opinion letter.

**APPENDIX D**

**FORM OF CLOSING CERTIFICATE**

**$5,750,000***
**Geauga County Public Library**
**Geauga County, Ohio**
**Library Facilities Notes, Series 2026**
**(Special Obligation)**

Stifel, Nicolaus & Company, Incorporated
Cleveland, Ohio, as the Underwriter

It is our understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such obligations dated August 6, 2026* (the "Official Statement"), which Official Statement was prepared and executed by and for the Geauga County Public Library, Geauga County, Ohio (the "Library") under the direction of the Board of Library Trustees.

In connection with your reliance as stated above, we hereby certify that:

1. We have reviewed the Official Statement and have made such investigation and inquiries as we deemed necessary in the circumstances;

2. The statements and information contained in the Official Statement are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and

3. To the best of our knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the Library.

Date: August 27, 2026*

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Board President
Geauga County Public Library
Geauga County, Ohio

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Fiscal Officer
Geauga County Public Library
Geauga County, Ohio

* Preliminary, subject to change.

**APPENDIX E**

# FORM OF CONTINUING DISCLOSURE CERTIFICATE

**$5,750,000***
**Geauga County Public Library**
**Geauga County, Ohio**
**Library Facilities Notes, Series 2026**
**(Special Obligation)**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Fiscal Officer of the Geauga County Public Library, Geauga County, Ohio (the "Library") pursuant to the May 19, 2026 resolution of the Board of Trustees of the Library authorizing the issuance and sale of the above-captioned obligations (the "Notes"). The Library covenants and agrees as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" means any annual financial information report provided by the Library pursuant to Sections 3 and 4 of this Disclosure Certificate.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information pursuant to the Rule. The current website address for EMMA is http://emma.msrb.org.

"Filing Date" means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 2027.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on January 1 that ends on December 31 of the same year or such other 12-month period as the Library shall subsequently adopt as its fiscal year.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board (www.msrb.org).

"Official Statement" shall mean the Official Statement prepared in connection with the sale of the Notes.

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with the offering of the Notes.

"Rule" shall mean Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Auditor" means the Auditor of the State of Ohio.

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* Preliminary, subject to change.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Library for the benefit of the holders and beneficial owners of the Notes and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The Library shall provide to the MSRB, not later than the Filing Date, an Annual Report for the immediately preceding Fiscal Year, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate.

(b) If the Library fails to provide an Annual Report to the MSRB by the date set forth in subsection (a) of this Section 3, the Library shall send in a timely manner to the MSRB notice of such failure, which shall include a statement as to the date by which the Library anticipates that the Annual Report will be provided to the MSRB.

Section 4. Contents of the Annual Report.

(a) The Annual Report shall contain or incorporate by reference the following:

(1) Most recent biennial or annual audited financial statements of the Library, as publicly released by the State Auditor (see Section 4(b) hereinbelow).

(2) Fiscal Year data for the table entitled "Receipts and Disbursements – General Fund Receipts and Expenditures" contained in Appendix A of the Official Statement under the caption "FINANCES OF THE LIBRARY– Revenues and Expenditures."

(3) Fiscal Year data for the table entitled "Library Operating Revenue – General Fund" contained in Appendix A of the Official Statement under the caption "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – General."

(4) Fiscal Year data for the table entitled "County PLF Distributions" contained in Appendix A of the Official Statement under the caption "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Public Library Fund."

(5) Fiscal Year data for the table entitled "Assessed Valuation" contained in Appendix A of the Official Statement under the caption "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Library Property Tax Base."

(6) Fiscal Year data for the table entitled "History of Voted Taxes" contained in Appendix A of the Official Statement under the caption "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – History of Voted Taxes."

(7) Fiscal Year data for the tables entitled "Library Tax Rates" and "Property Tax Collections" contained in Appendix A of the Official Statement under the caption "THE PUBLIC LIBRARY FUND AND OTHER REVENUE SOURCES – Property Tax Rates and Collections."

All or any of the items listed above may be included by specific reference from other documents which have previously been provided to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. If the Library prepares an Annual Comprehensive Financial Report ("ACFR") that includes each of the items listed above, the Library may designate the ACFR as the Annual Report for any Fiscal Year.

(b) The audited financial statements of the Library to be included in the Annual Report shall be initially prepared on a cash basis (provided, however, that if the Library shall subsequently change its accounting method, the audited financial statements shall indicate the accounting method then in use) and shall be accompanied by a report of the State Auditor, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such audited financial statements are not available to the Library at the time of providing the Annual Report to the MSRB as provided in Section 3 of this Disclosure Certificate, the Library will provide such audited financial statements to the MSRB as provided in Section 3 of this Disclosure Certificate as soon as they are available.

Section 5. Reporting of Significant Events. The Library shall provide to the MSRB in a timely manner not in excess of ten business days after the occurrence of the event notice of any of the following events with respect to the Notes:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

(g) Modifications to rights of holders of the Notes, if material;

(h) (1) Calls for redemption of the Notes, if material, other than calls pursuant to the mandatory sinking fund provisions of the Notes, if any, and (2) tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Notes, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the Library;

(m) The consummation of a merger, consolidation, or acquisition involving the Library or the sale of all or substantially all of the assets of the Library, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the Library, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Library, any of which affect holders of the Notes, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Library, any of which reflect financial difficulties.

For the purposes of subsection (l), above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Library in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Library, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Library.

Section 6. Means of Reporting Information. The Library shall provide information to the MSRB according to the MSRB's prescribed reporting requirements, as the same may be amended from time to time. The MSRB currently requires that all filings made pursuant to the Rule be submitted through the MSRB's EMMA system. As of the date hereof, submissions to EMMA must be by electronic submission in an electronic portable document format ("PDF") that shall have a word-search function permitting a user to search the document. The Library is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the Library and the MSRB.

Section 7. Termination of Reporting Obligation. The Library's obligation under this Disclosure Certificate shall terminate upon the defeasance, redemption or payment in full of all of the Notes.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Library may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the Library has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Library from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the Library chooses to include any information in an Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Disclosure Certificate, the Library shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. Failure of the Library to perform any of its undertakings contained in this Disclosure Certificate shall not constitute an event of default with respect to the Notes. The exclusive remedy for any such failure shall be enforcement of the Library's obligations to perform by actions or proceedings taken in accordance with Ohio Revised Code Section 133.25(B)(4)(b) or Section 133.25(C)(1).

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Library, the Participating Underwriter and the holders of the Notes, and shall create no rights in any other person or entity.

Date: August 27, 2026*

GEAUGA COUNTY PUBLIC LIBRARY
GEAUGA COUNTY, OHIO

By: ________________________________
Fiscal Officer

* Preliminary, subject to change.