

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 2, 2025

NEW ISSUE

Rating: Moody's Aa2

See **Rating**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2025 Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2025 Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Series 2025 Notes may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **Tax Matters**.*



\$26,000,000*
STARK COUNTY DISTRICT LIBRARY, OHIO
LIBRARY FACILITIES NOTES, SERIES 2025
(Special Obligation)

Dated: Closing Date

The Series 2025 Notes. The Series 2025 Notes are special obligations of the Library, secured by a pledge of the Library's allocation from the Public Library Fund as described herein. The Series 2025 Notes are not and will not be secured by the full faith and credit of the Library or by any revenues of the Library other than those which are specifically pledged. See **Security and Sources of Payment**.

Book Entry Only. The Series 2025 Notes will be initially issued only as fully registered Notes, one for each maturity, issuable under a book entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Series 2025 Notes to the ultimate purchasers. The Series 2025 Notes in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement.

Payment. (See *Maturity Schedule on inside cover*.) Principal and interest on the Series 2025 Notes will be payable to the registered owner (DTC), principal upon presentation and surrender at the designated corporate trust office of Zions Bancorporation, National Association (the Note Registrar), and interest transmitted by the Note Registrar on each interest payment date (June 1 and December 1 of each year, beginning June 1, 2026*) to the registered owner (DTC) as of the 15th day preceding that interest payment date.

Prior Redemption* The Series 2025 Notes maturing after December 1, 20__, are subject to prior redemption by the Library prior to maturity, on or after December 1, 20__, and certain Series 2025 Notes are subject to mandatory prior redemption, as described in this Official Statement. See **Prior Redemption**.

The Series 2025 Notes are offered when, as and if issued and accepted by Stifel, Nicolaus & Company, Incorporated (the Underwriter), subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the Library. Certain legal matters will be passed upon for the Library by Squire Patton Boggs (US) LLP, as disclosure counsel to the Library. Certain legal matters will be passed upon for the Underwriter by its counsel, Frost Brown Todd LLP. The Series 2025 Notes are expected to be available for delivery to DTC or its agent on October 23, 2025.

STIFEL

This Official Statement has been prepared by the Library in connection with its original offering for sale of the Series 2025 Notes. This cover page includes certain information for quick reference only. It is not a summary of the Series 2025 Note issue. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is October __, 2025, and the information herein speaks only as of that date.

* Preliminary, subject to change.

PRINCIPAL MATURITY SCHEDULE *
ON DECEMBER 1

\$12,815,000 SERIAL NOTES

Year	Amount	Interest Rate	Price	CUSIP©(a) No. 85535C
2026	\$260,000			
2027	410,000			
2028	430,000			
2029	455,000			
2030	475,000			
2031	500,000			
2032	525,000			
2033	550,000			
2034	580,000			
2035	605,000			
2036	640,000			
2037	670,000			
2038	705,000			
2039	740,000			
2040	775,000			
2041	815,000			
2042	855,000			
2043	895,000			
2044	940,000			
2045	990,000			

\$5,770,000 __. __ % **TERM NOTES DUE 2050**, Price _____ % **CUSIP©(a) No. 85535C** ____

\$7,415,000 __. __ % **TERM NOTES DUE 2055**, Price _____ % **CUSIP©(a) No. 85535C** ____

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* Preliminary, subject to change.

STARK COUNTY DISTRICT LIBRARY, OHIO

LIBRARY OFFICIALS

Board of Library Trustees:

Bob Belden
Sally Efremoff, Secretary
Joseph French
Robin Mingo-Miles
Daniel Petricini
Steven Pittman, President
Susan Rodgers, Vice President

Executive Director

Mary Ellen Icaza

Fiscal Officer and Director of Facilities:

Chris Butler

PROFESSIONAL SERVICES

Bond and Disclosure Counsel:

Squire Patton Boggs (US) LLP

Note Registrar:

Zions Bancorporation, National Association

Underwriter:

Stifel, Nicolaus & Company, Incorporated

Underwriter's Counsel:

Frost Brown Todd LLP

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2025 Notes identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the Library to give any information or to make any representation other than as 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. 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 Series 2025 Notes by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the Library in connection with the offering of the Series 2025 Notes. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the Library for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Library since its date.

This Official Statement contains statements that the Library believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the Library’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The Library undertakes no obligation, and does not plan, to issue any updates or revisions to any forward-looking statements.

UPON ISSUANCE, THE SERIES 2025 NOTES WILL NOT BE REGISTERED BY THE LIBRARY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE LIBRARY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE SERIES 2025 NOTES FOR SALE.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Library, the Bond Counsel, Disclosure Counsel, or the Underwriter, or their agents or counsel, assume responsibility for the accuracy of such numbers and no representation is made as to their correctness on the applicable Series 2025 Notes or the Cover or as indicated herein. The CUSIP number for a specific maturity or interest rate within a maturity, if applicable, is subject to being changed after the issuance of the Series 2025 Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance and other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025 Notes.

The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to 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 guaranty 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.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Series 2025 Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2025 Notes to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering price stated on the Cover, which public offering price may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by Stark County District Library, Ohio (the Library), in connection with its original issuance and sale of the Notes identified on the Cover (the Series 2025 Notes). Certain information concerning the Series 2025 Notes, including their authorization, purpose, terms and security and sources of payment, and the Library is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Series 2025 Notes and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the Library from its records, except for information expressly attributed to other sources and except for certain information on the Cover and under **Underwriting**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical 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 is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **Regarding This Official Statement**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- **“Beneficial Owner”** means the owner of a book-entry interest in the Series 2025 Notes, as defined in **Appendix E**.
- **“Board”** means the Board of Library Trustees of the Library.
- **“City”** means the City of Canton, Ohio, the largest municipality in the County and the County seat.
- **“County”** means the County of Stark, Ohio (the Library is primarily located in the County, but also has territory in the Counties of Summit, Portage and Carroll).
- **“County Auditor”** means the Auditor of the County.
- **“Cover”** means the cover page and the inside cover pages of this Official Statement.
- **“Date of issuance”** or **“closing date”** means the date of initial delivery of the Series 2025 Notes against payment by the Underwriter.
- **“Debt charges”** means principal (including any mandatory sinking fund deposits and mandatory redemption payments), interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”

- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2025”) means the Fiscal Year ending on December 31 in that year.
- **“Interest payment date”** means each June 1 and December 1, beginning June 1, 2026.*
- **“Revised Code”** means the Ohio Revised Code.
- **“Series 2018 Notes”** means the Library’s \$4,800,000 Library Facilities Notes, Series 2018, dated December 13, 2018.
- **“Series 2020 Notes”** means the Library’s \$6,500,000 Library Facilities Notes, Series 2020, dated December 8, 2020.
- **“Series 2024 Notes”** means the Library’s \$12,000,000 Library Facilities Notes, Series 2024, dated September 26, 2024.
- **“State” or “Ohio”** means the State of Ohio.

The Series 2025 Notes are issued by Stark County District Library, Ohio. They are authorized by Section 3375.404 of the Revised Code and legislation adopted by the Board. The Series 2025 Notes are being issued in anticipation of the portion of the Public Library Fund to be received by the Library for the purpose of paying costs of constructing, remodeling, renovating and otherwise improving, equipping and furnishing Library buildings and parts of Library buildings and other real property, and purchasing personal property, necessary for the proper maintenance and operation of the Library. See **Authorization and Purpose**.

The Series 2025 Notes are special obligations of the Library, secured by a pledge of the Library’s allocation from the Public Library Fund. The Series 2025 Notes are not and will not be secured by the full faith and credit of the Library or by any revenues of the Library other than those which are specifically pledged. See **Security and Sources of Payment**.

The Authorizing Legislation (see **Authorization and Purpose**) provides that the Series 2025 Notes will be issued in the denomination of \$5,000 or in whole multiples of \$5,000. The Series 2025 Notes will be initially issued only as fully-registered notes, one for each maturity, issuable under a book-entry system and registered initially in the name of The Depository Trust Company, New York, New York, or its nominee (DTC).

Principal and interest will be payable to the registered owner (DTC). Principal of the Series 2025 Notes will be payable on presentation and surrender at the designated corporate trust office of the Note Registrar. See **Note Registrar**. Interest on the Series 2025 Notes will be transmitted by the Note Registrar on each interest payment date (June 1 and December 1, beginning June 1, 2026*) to the registered owner as of the 15th day preceding that interest payment date.

The Series 2025 Notes maturing after December 1, 20__*, are subject to prior redemption on any date, by and at the sole option of the Library, in whole or in part as selected by the Library (in whole multiples of \$5,000), on or after December 1, 20__*, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Certain of the Series 2025 Notes are term notes subject to mandatory prior redemption, as described in this Official Statement. See **Prior Redemption**.

* Preliminary, subject to change.

The opinion as to the validity of the Series 2025 Notes and the tax-exempt status of the interest on the Series 2025 Notes will be rendered by Squire Patton Boggs (US) LLP (Bond Counsel). See **Legal Matters, Tax Matters and Appendix D**.

THE SERIES 2025 NOTES

AUTHORIZATION AND PURPOSE

The Series 2025 Notes are to be issued pursuant to Section 3375.404 of the Revised Code, a resolution adopted by the Board, and a Certificate of Award provided for by that resolution (collectively, the Authorizing Legislation).

The Series 2025 Notes are being issued for the purpose of paying costs of constructing, remodeling, renovating and otherwise improving, equipping and furnishing Library buildings and parts of Library buildings and other real property, and purchasing personal property, necessary for the proper maintenance and operation of the Library, including demolishing the existing Main Library, clearing, improving and equipping the site, and constructing, furnishing and equipping a new, approximately 70,000 square foot Main Library on the site (the Project). See **The Library – Library System – The Project**.

Any premium received by the Library on the sale of the Series 2025 Notes in excess of that necessary to pay costs of issuing the Series 2025 Notes and any interest accrued on the Series 2025 Notes will be deposited in the Note Retirement Fund. Money in that Fund is used to pay debt charges on the Series 2025 Notes (see **Security and Sources of Payment**).

CERTAIN TERMS OF THE SERIES 2025 NOTES

General; Book-Entry System

The Series 2025 Notes will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Series 2025 Notes. For discussion of the book-entry system and DTC and the replacement of Series 2025 Notes in the event that the book-entry system is discontinued, see **Appendix E**.

The Note Registrar will act as the paying agent for the Series 2025 Notes and will keep all books and records necessary for registration, exchange and transfer of the Series 2025 Notes. See **Note Registrar**.

The Series 2025 Notes will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and 12 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

Prior Redemption*

The Series 2025 Notes are subject to mandatory and to optional redemption as follows.

* Preliminary, subject to change.

Mandatory Redemption

The Notes maturing on December 1, 2050 (the 2050 Term Notes), and December 1, 2055 (the 2055 Term Notes, and together with the 2050 Term Notes, the Term Notes), are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, on December 1 of the years shown in, and according to, the following schedule.

2050 Term Notes		2055 Term Notes	
Year	Amount	Year	Amount
2046	\$1,040,000	2051	\$1,340,000
2047	1,095,000	2052	1,410,000
2048	1,150,000	2053	1,480,000
2049	1,210,000	2054	1,555,000
2050	1,275,000(a)	2055	1,630,000(a)

(a) Remaining principal balance scheduled to be paid at the stated maturity of the corresponding Term Notes.

Term Notes redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the Term Notes.

Optional Redemption*

The Series 2025 Notes maturing after December 1, 20__, are subject to prior redemption, by and at the sole option of the Library, in whole or in part as selected by the Library (in whole multiples of \$5,000), on any date on or after December 1, 20__, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Selection of Series 2025 Notes and Book-Entry Interests to be Redeemed

If fewer than all outstanding Series 2025 Notes are called for optional redemption at one time, the Series 2025 Notes to be called will be called as selected by, and selected in a manner as determined by, the Library.

If less than all of an outstanding Series 2025 Note of one maturity under a book-entry system is to be called for redemption (in the amount of \$5,000 or any whole multiple), the Note Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Series 2025 Note to be redeemed is discussed below under **Notice of Call for Redemption; Effect**.

If note certificates are issued to the ultimate owners, and if fewer than all of the Series 2025 Notes of a single maturity are to be redeemed, the selection of Series 2025 Notes (or portions of Series 2025 Notes in the amount of \$5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Note Registrar.

In the case of a partial redemption by lot when Series 2025 Notes of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as if it were a separate Note of the denomination of \$5,000.

* Preliminary, subject to change.

Notice of Call for Redemption; Effect

The Note Registrar is to cause notice of the call for redemption, identifying the Series 2025 Notes or portions of Series 2025 Notes to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Note to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Series 2025 Notes.

On the date designated for redemption, Series 2025 Notes or portions of Series 2025 Notes called for redemption shall become due and payable. If the Note Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Note (or portion of a Series 2025 Note) so called for redemption will cease to accrue on that date.

So long as all Series 2025 Notes are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Note Registrar only to the depository or its nominee. Selection of book-entry interests in the Series 2025 Notes called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Series 2025 Notes or portions of Series 2025 Notes. See **Appendix E**.

SECURITY AND SOURCES OF PAYMENT

Section 3375.404 of the Revised Code permits a public library that receives an allocation of the Public Library Fund provided for in Chapter 5747 of the Revised Code or any successor to that Fund (the Public Library Fund) to anticipate (i) its portion of the proceeds of Public Library Fund distributions and (ii) if the board of library trustees receives proceeds from a tax levied under Section 5705.23 of the Revised Code by the taxing authority of the political subdivision to whose jurisdiction the board of library trustees is subject, the lawfully available proceeds of that tax, and to issue library fund notes to pay costs of the purchase, construction, remodeling, renovation or other improvement, equipping and furnishing of buildings or parts of buildings and other real property, and purchase or other acquisition of motor vehicles and other personal property necessary for the proper operation of the library, and refunding notes to provide for the refunding of such library facilities notes. 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 annual debt service charges on the notes by a board of library trustees in an amount in excess of the sum of (A) 40% of the average of the library's Public Library Fund receipts for the two calendar years prior to the year in which the notes are issued and (B) the portion of the lawfully available proceeds from a tax levied under Section 5705.23 of the Revised Code that the board of library trustees has, in the authorizing proceedings, covenanted to appropriate annually for the purpose of paying debt service charges on the notes.

The Library receives a distribution from the Public Library Fund but does not receive proceeds from a tax levied under Section 5705.23 of the Revised Code that are lawfully available to be covenanted to appropriate annually for the purpose of paying debt services charges on the Notes. The security pledged to the payment by the Library of debt charges on the Series 2025 Notes, together with the Library's Library Facilities Notes, Series 2018, dated December 13, 2018, and currently outstanding in the aggregate principal amount of \$4,025,000 (the Series 2018 Notes), Library Facilities Notes, Series 2020, dated December 8, 2020, and currently outstanding in the aggregate principal amount of \$5,680,000 (the Series 2020 Notes), and Library Facilities Notes, Series 2024, dated September 26, 2024, and currently outstanding in the aggregate principal amount of \$11,600,000 (the Series 2024 Notes, and, together with the Series 2018 Notes, the Series 2020 Notes

and Series 2025 Notes, the Notes), is the Public Library Fund collections received by the Library. The Series 2025 Notes are to be paid by the Library from its Public Library Fund distributions, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. The Notes receive a first pledge of lien on the Library's Public Library Fund distributions pursuant to Section 3375.404 of the Revised Code.

See **Public Library Fund** for a discussion of the Public Library Fund and the Library's historical Public Library Fund receipts.

The average of the Library's Public Library Fund receipts for calendar years 2023 and 2024 is \$8,972,197; see **Public Library Fund**. The maximum amount of Note Service Charges in any year for the Series 2018 Notes, Series 2020 Notes, Series 2024 Notes and the Series 2025 Notes is \$3,082,431.26* or 34.3%* of that average. See **Debt Table A**.

THE SERIES 2025 NOTES ARE NOT GENERAL OBLIGATIONS OF THE LIBRARY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF AND DO NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FULL FAITH AND CREDIT, OF THE STATE, THE LIBRARY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND THE REGISTERED OWNERS OF THE SERIES 2025 NOTES HAVE NO RIGHT TO HAVE TAXES LEVIED BY THE GENERAL ASSEMBLY OR BY THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PAYMENT OF DEBT CHARGES ON THE SERIES 2025 NOTES. THE SERIES 2025 NOTES ARE PAYABLE SOLELY FROM THE PUBLIC LIBRARY FUNDS PLEDGED FOR THEIR PAYMENT.

Bankruptcy

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the Library. Chapter 9 of the U.S. Bankruptcy Code would permit the Library to make such an adjustment if (i) it were "insolvent" (*i.e.*, the Library was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (*e.g.*, having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it is authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State's Uniform Public Securities Law provides that the Library or other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and "that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings" under the Bankruptcy Code. That law also states:

"No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part." (Section 133.36 of the Revised Code.)

The County and the State may also initiate proceedings under the Bankruptcy Code. Because each collects or otherwise provides revenues to the Library, the Library's financial condition could be affected by such action.

* Preliminary, subject to change.

Refunding

State law authorizes the refunding of all or a portion of the Series 2025 Notes. If the Library places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Series 2025 Notes, those Series 2025 Notes will no longer be considered to be outstanding. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

LITIGATION

To the knowledge of the appropriate Library officials, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Series 2025 Notes or the allocation or distribution of the Library's Public Library Fund receipts to pay the debt charges on the Series 2025 Notes, or contesting or questioning the proceedings and authority under which the Series 2025 Notes have been authorized and are to be issued, sold, signed or delivered, or the validity of the Series 2025 Notes. The Library will deliver to the Underwriter a certificate to that effect at the time of original delivery of the Series 2025 Notes to the Underwriter.

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

Under current Ohio law, Library money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the Library.

See also **The Library – The Library System – General Information – Facilities** for information regarding the Library's liability insurance coverage.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2025 Notes and with regard to the tax-exempt status of the interest on the Series 2025 Notes (see **Tax Matters**) are subject to the legal opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the Library. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Series 2025 Notes, will be delivered on the date of issuance of the Series 2025 Notes. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this 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 its date.

The opinion of Bond Counsel and any other legal opinions and letters of counsel to be delivered concurrently with the delivery of the Series 2025 Notes express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Certain legal matters will be passed upon for the Underwriter by its counsel, Frost Brown Todd LLP.

Bond Counsel has drafted those portions of this Official Statement under the captions **The Series 2025 Notes – Authorization and Purpose** (excluding certain information concerning the book-entry system there and in **Appendix E**), **Security and Sources of Payment** and **Tax Matters**. Squire Patton Boggs (US) LLP, both in its capacity as Bond Counsel and as Disclosure Counsel to the Library, and others, including the Underwriter and its counsel, have assisted the Library with its preparation of certain other portions of this Official Statement and have participated with responsible Library officials in telephone conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Bond and Disclosure Counsel and those other parties, however, have not been engaged to, and will not, independently confirm or verify that information or any other information provided by the Library or others, and will not express an opinion as to the accuracy, completeness or fairness of any such information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Series 2025 Notes that may be prepared or made available by the Library or others to potential or actual purchasers of the Series 2025 Notes, to owners of the Series 2025 Notes, including Beneficial Owners, or to others.

In addition to rendering its opinion, Bond Counsel will assist in the preparation of and advise the Library concerning documents for the Series 2025 Notes transcript. The Library has also retained the legal services of that law firm from time to time as special counsel in connection with matters that do not relate to Library financings. Squire Patton Boggs (US) LLP also serves and has served as bond counsel for one or more of the political subdivisions that the Library territorially overlaps and has served as counsel to the Underwriter in connection with matters that do not relate to the Series 2025 Notes or the Library.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2025 Notes is excluded 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 federal alternative minimum tax imposed on individuals; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2025 Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2025 Notes.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Library contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2025 Notes are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Library's certifications and representations or the continuing compliance with the Library's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2025 Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (IRS) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Library may cause loss of such status and result in the interest on the Series 2025 Notes being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Notes. The Library has covenanted to take the actions required of it for the interest on the Series 2025 Notes to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2025 Notes, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Notes or the market value of the Series 2025 Notes.

Interest on the Series 2025 Notes may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, 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 and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2025 Notes. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2025 Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2025 Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2025 Notes ends with the issuance of the Series 2025 Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Library or the owners of the Series 2025 Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2025 Notes, under current IRS procedures, the IRS will treat the Library as the taxpayer and the beneficial owners of the Series 2025 Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2025 Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2025 Notes.

Prospective purchasers of the Series 2025 Notes upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Series 2025 Notes at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2025 Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2025 Notes will not have an adverse effect on the tax status of interest or other income on the Series 2025 Notes or the market value or marketability of the Series 2025 Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2025 Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2025 Notes should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2025 Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2025 Notes may be affected and the ability of holders to sell their Series 2025 Notes in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2025 Notes (“Discount Notes”) may be offered and sold to the public at an original issue discount (OID). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Note. The issue price of a Discount Note is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Notes of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Note over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Note (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025 Notes, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Note. A purchaser of a Discount Note in the initial public offering at the issue price (described above) for that Discount Note who holds that Discount Note to maturity will realize no gain or loss upon the retirement of that Discount Note.

Certain of the Series 2025 Notes (“Premium Notes”) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes note premium. For federal income tax purposes, note premium is amortized over the period to maturity of a Premium Note, based on the yield to maturity of that Premium Note (or, in the case of a Premium Note callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Note), compounded semiannually. No portion of that note premium is deductible by the owner of a Premium Note. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Note, the owner’s tax basis in the Premium Note is reduced by the amount of note premium that is amortized during the

period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Note for an amount equal to or less than the amount paid by the owner for that Premium Note. A purchaser of a Premium Note in the initial public offering who holds that Premium Note to maturity (or, in the case of a callable Premium Note, to its earlier call date that results in the lowest yield on that Premium Note) will realize no gain or loss upon the retirement of that Premium Note.

Owners of Discount and Premium Notes should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or note premium, the determination for federal income tax purposes of the amount of OID or note premium properly accruable or amortizable in any period with respect to the Discount or Premium Notes, other federal tax consequences in respect of OID and note premium, and the treatment of OID and note premium for purposes of state and local taxes on, or based on, income.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Series 2025 Notes are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Series 2025 Notes are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Series 2025 Notes should make their own determination as to such matters as legality of investment in or pledgability of book-entry interests.

UNDERWRITING

The Series 2025 Notes are being purchased by Stifel, Nicolaus & Company, Incorporated (the Underwriter), at a price of \$_____. The aggregate initial offering price of the Series 2025 Notes is \$_____; therefore, the gross underwriting spread is \$_____ from the public offering prices of the Series 2025 Notes set forth on the Cover (the Offering Prices). In its note purchase agreement with the Library, the Underwriter has agreed to wire funds to the Note Registrar at closing to enable the Note Registrar to pay certain costs of issuance of the Series 2025 Notes from proceeds of the Series 2025 Notes constituting a portion (\$_____) of the purchase price.

The Underwriter has provided the information in this Official Statement pertaining to the Offering Prices and to the offering of the Series 2025 Notes in the seventh paragraph of **Regarding This Official Statement**. As noted in that paragraph, the Underwriter may offer and sell the Series 2025 Notes to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriter. The purchase of the Series 2025 Notes by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Series 2025 Notes, if any are purchased.

RATING

The Series 2025 Notes have been rated “Aa2” by Moody’s Ratings. The rating assigned is shown on the Cover. No application for a rating has been made by the Library to any other rating service.

The rating reflects only the views of the rating service, and any explanation of the meaning or significance of the rating may only be obtained from the rating service. The Library furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Series 2025 Notes and the Library. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

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 service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Series 2025 Notes.

The Library expects to furnish the rating service with information and materials that may be requested. The Library, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Series 2025 Notes.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the Library when the Series 2025 Notes are delivered by the Library to the Underwriter. The Library at that time will also provide to the Underwriter a certificate, signed by the Library officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a “final official statement” in the judgment of the Library for purposes of SEC Rule 15c2-12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

The Library has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Series 2025 Notes, in accordance with SEC Rule 15c2-12 (the Rule), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the Continuing Disclosure Agreement). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. The foregoing information, data and notices can be obtained from:

Chris Butler
Fiscal Officer
Stark County District Library, Ohio
715 Market Avenue North
Canton, OH 44702
Telephone (330) 458-2690
E-mail: cbutler@starklibrary.org

The performance by the Library of the Continuing Disclosure Agreement will be subject to the annual appropriation by the Library of any funds that may be necessary to perform it. The

Continuing Disclosure Agreement will remain in effect only for such period that the Series 2025 Notes are outstanding in accordance with their terms and the Library remains an obligated person with respect to the Series 2025 Notes within the meaning of the Rule.

The Library has previously made prior continuing disclosure agreements for purposes of the Rule with respect to the Series 2018 Notes, Series 2020 Notes and Series 2024 Notes. The Fiscal Officer is the designated person within the Library charged with ensuring the Library's compliance with its continuing disclosure agreements. The Library engages Disclosure Counsel on an annual basis to assist it in meeting the requirements of its continuing disclosure agreements.

The Library's prior continuing disclosure agreements require the Library to file its audited financial statements when and if available. The Library's audited financial statements for Fiscal Year 2021 were released by the State Auditor on October 25, 2022. The Library filed unaudited basic financial statements for Fiscal Year 2021 on September 28, 2022, as part of its filing of its Annual Information Filing for Fiscal Year 2021 that was due on September 30, 2022, but did not file its audited financial statements until June 1, 2023.

Other than as described above, within the last five years, the Library believes that it has complied in all material respects with its prior continuing disclosure agreements.

NOTE REGISTRAR

Zions Bancorporation, National Association, will act as registrar, paying agent, transfer agent and authenticating agent for the Series 2025 Notes (the Note Registrar). The Note Registrar will keep all books and records necessary for registration, exchange and transfer of the Series 2025 Notes, in accordance with the terms of agreements between it and the Library. The Note Registrar is a national banking association. It has designated its Pittsburgh, Pennsylvania corporate trust office in connection with the Series 2025 Notes, and also acts as note registrar for the Series 2018 Notes, Series 2020 Notes and Series 2024 Notes.

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THE LIBRARY

GENERAL INFORMATION

The Library provides library services to an area including the territories of the following school districts or portions thereof: Canton City School District, Canton Local School District, Jackson Local School District, Lake Local School District, Plain Local School District and Osnaburg Local School District; all of the territory of Fairless Local School District except those portions located in the Village of Brewster and the Village of Navarre and the County of Tuscarawas; all of the territory of Perry Local School District except that portion located in the Village of Navarre; and all of the territory located in the County of Sandy Valley Local School District, Southeast Local School District, Tuscarawas Valley Local School District, and Tuslaw Local School District. The County is located in northeast Ohio, approximately 53 miles southeast of the City of Cleveland.

The Library is almost entirely located in the Canton-Massillon Metropolitan Statistical Area (MSA) comprised of the two counties of Stark and Carroll. For a more detailed discussion of the economic and demographic characteristics of the Library, see **Economic and Demographic Information**.

The Library's 2023 population was 241,356. The County's 2023 population was 373,764. The City of Canton is the largest municipality in the County, the 8th largest city in the State and is the County seat.

The Library's area is over 500 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

Percent of Assessed Valuation of Real Property

Residential/Agricultural	78.80%
Commercial/Industrial	21.15
Public Utility	0.05
Undeveloped	(a)

(a) Included in above categories.
Source: County Auditor.

The Library is served by 18 State highways, three U.S. highways and I-77. More than 100 motor freight carriers and local cartage haulers serve the Canton-Massillon MSA. Three main railroads serve the County area – CSX Transportation, a national line, and Norfolk Southern Railroad and the Wheeling & Lake Erie Railway, both of which are regional carriers.

Rail passenger service is provided to the area through the cities of Akron and Alliance by Amtrak. The County is also served by Greyhound bus service. The Stark Area Regional Transit Authority (SARTA) provides daily public transportation within the County.

The area of the Library is served by the Akron-Canton Airport (the Airport), a cooperative effort of the County and Summit County, which has an operational area of 2,800 acres, most of which is located in the northern portion of the County and in adjacent Summit County immediately off of I-77. The Airport is served by four commercial airlines, American Airlines, Delta Air Lines, Spirit Airlines and United Airlines, and provides passenger, cargo and general aviation transport facilities. The County is also served by Cleveland Hopkins International Airport and Pittsburgh International Airport.

Numerous daily and weekly newspapers and radio and television stations serve the County. Cable television franchises serve the County and surrounding areas.

Banking and financial services are provided to the Library area by offices of commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

Medical care is available in the City through Aultman Hospital and Cleveland Clinic Mercy Hospital. Aultman Hospital also operates a health care facility in nearby Alliance. Akron area medical centers include Akron City Hospital and St. Thomas Hospital of the Summa Health System, the Cleveland Clinic Health System's Akron General Medical Center and Children's Hospital Medical Center. The community is also served by facilities of the University Hospitals Health System in Cleveland and other facilities of the Cleveland Clinic Health System. Aultman Hospital and Cleveland Clinic Mercy Hospital have constructed medical centers in the City to provide immediate care, out-patient examination and surgery and specialized care in the area of sports-medicine. See also **Industry and Commerce; Economic Development – Health Care.**

The University of Mount Union, Walsh University and Malone College, each a private four-year higher educational institution, and Stark State College of Technology, a public two-year technical college, are located within the County. Aultman College of Nursing and Health Sciences, which offers degrees in nursing, radiography, health sciences and social work, and branches of Kent State University and Ashland University are also located in the County. Within commuting distance are a number of other public and private two-year and four-year colleges and universities, including Kent State University (with its main campus in the City of Kent and a branch in Tuscarawas County); Cleveland State University, Cuyahoga Community College, John Carroll University, Baldwin-Wallace University and Case Western Reserve University in the Cleveland metropolitan area; the University of Akron in Akron; The College of Wooster, Ashland University, Hiram College and Youngstown State University. Northeastern Ohio Universities College of Medicine, a State-assisted medical college, is located in nearby Portage County.

The area of the Library is served by numerous park and recreational facilities. The County Park District administers a park system consisting of 15 parks, four lakes, over 126 miles of hiking, biking and equestrian trails, a wildlife conservation center and four historic properties, all on approximately 6,800 acres. The County Park District was also involved in the construction of a 26-mile section of the Ohio and Erie Canal Towpath Trail, part of the 110-mile Cleveland to Zoar National Heritage Corridor. Canton Parks and Recreation operates over 40 parks, fields and facilities covering over 800 acres. The Wilderness Center, a 3,380-acre nature preserve, is a privately endowed facility located in the southwest portion of the County. In addition, County residents are served by a number of parks owned and operated by other subdivisions within the County.

The City is known across the country as the home of the Pro-Football Hall of Fame. See **Industry and Commerce; Economic Development – Recreation and Tourism.**

Additional facilities in the County that attract visitors from across the nation are the National First Ladies Library and Museum, operating in partnership with the National Park Service at the First Ladies National Historic Site, and the McKinley Presidential Library, Museum and Monument.

Arts and culture is also a driver of tourism in the region. ArtsinStark, the County Arts Council, manages the facility known as the Cultural Center for the Arts, which is home to the Canton Ballet, the Canton Museum of Art, Sing Canton, and the Cultural Center Theater. The Cultural Center for the Arts was a gift from the Timken Foundation in 1971. Adjacent to the Center is the City-owned Canton Memoria Civic Center with an arena seating approximately 5,000 and an 8,00 square foot McKinley Room seating approximately 600. The Cultural Center and the Civic Center frequently accommodate conventions, meetings and special events. The Civic Center

is also currently home to the Canton Charge, the development league affiliated with the Cleveland Cavaliers. Arts and cultural assets are present throughout the County, including a large number within the downtown Canton Arts District, a 69-block area in the downtown area of the City, which is home to art galleries, studios and specialty shops and a wide range of public art. The Arts District also includes live music venues, the historic Canton Palace Theatre, and numerous restaurants and bars.

Additionally, the County is within commuting distance of the cultural activities in the cities of Akron, Cleveland and Pittsburgh.

Professional sports are available at various facilities located in the City of Cleveland. The Gateway Sports Complex, located in the central business district of the City of Cleveland, includes Progressive Field, home of the Cleveland Guardians professional baseball franchise of the American League of Major League Baseball, and the Rocket Mortgage FieldHouse, home of the Cleveland Cavaliers professional basketball franchise of the National Basketball Association. Huntington Bank Field, located on the lakefront in downtown Cleveland, is the home of the Cleveland Browns professional football franchise of the National Football League.

Canal Park, a minor league baseball stadium that is home to the Akron RubberDucks, a Class AA affiliate of the Cleveland Guardians, is located in downtown Akron.

Belden Village Mall is located in the northern part of the County along I-77 and features over 100 specialty shops, anchored by Dillard's, Macy's, Dave & Busters and Dick's/ Galaxy. The Hartville MarketPlace and Flea Market features over three acres of indoor shopping, over 50 shops and an outdoor flea market. The Hartville area also is home to the Hartville Kitchen and Hartville Hardware, the nation's largest home store. The County also benefits from culinary tourism and is home to award winning breweries and wineries. The premier destination winery, Gervasi Vineyard, provides overnight accommodations and formal and informal dining options. See also **Industry and Commerce; Economic Development – Other Developments**.

LIBRARY BOARD AND ADMINISTRATION

The Board of Library Trustees is a body politic and corporate charged with the responsibility of managing and controlling affairs of the Library and is, with the Library, governed by the general laws of the State. The Board is comprised of seven members appointed for overlapping seven calendar year terms. Board members are appointed by the Stark County Common Pleas Court judges and the Stark County Commissioners. The present Board members are:

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Name	Began Service As Library Board Member in	Present Term Expires January 31	Vocation In Private Life
Bob Belden	04/27/2016	04/27/2030	Corporate Executive
Sally Efremoff ^(a)	07/27/2015	04/26/2029	Attorney (Retired)
Joseph French	05/01/2018	04/30/2025	Non-Profit Executive
Robin Mingo-Miles	04/28/2017	04/27/2031	Non-Profit Executive (Retired)
Daniel Petricini	07/03/2023	04/27/2026	Attorney
Susan Rodgers ^(b)	09/20/2007	04/30/2028	Attorney
Steven Pittman ^(c)	04/26/2006	04/26/2027	Accounting Executive (Retired)

(a) Secretary.

(b) Vice President.

(c) President.

The Executive Director, appointed by the Board, is the executive officer of the Library and has responsibility for directing and assigning employees and performing such other duties as determined by the Board. The Library's Executive Director is Mary Ellen Icaza, serving since July 16, 2018. Previously, Ms. Icaza was Assistant Director of Programs and Outreach at the Montgomery County Public Libraries in Maryland. The Executive Director's professional memberships include the Ohio Library Council (OLC) and the American Library Association (ALA).

The Fiscal Officer, appointed by the Board, is the Library's chief fiscal officer. The current Fiscal Officer is Chris Butler, serving since April 2017. Previously, Mr. Butler was Deputy Fiscal Officer of nearby Wayne County Public Library. The Fiscal Officer's professional memberships include the Government Finance Officers Association and Ohio Library Fiscal Officer Association.

THE LIBRARY SYSTEM

General Information

The Library has a service area with a population of approximately 240,000 residents and 90,000 active cardholders (38% of the population). It annually circulates nearly 3 million items from its 1.5 million item collection and provides access to an additional 66 million items from lending networks throughout the State. Each year the Library presents more than 8,000 programs for 150,000 attendees and provides 195,000 computer sessions on the publicly available computers found in each branch.

The Library is one of the nine largest library systems in the State and the County's oldest library. It serves its community through 10 locations, four mobile libraries (bookmobiles) and a 24/7 digital branch. The Main Library is located in the City.

The Library traces its roots to the County courthouse. The very first concept of a local library began in 1816 with James Lathrop, an attorney from Canton. He permitted subscribers to borrow from his personal collection of 30 books which was kept in the County courthouse. With their combined efforts, Canton's leading citizens founded the first free library in 1884, becoming the Canton Public Library. The Library moved into the historic Carnegie Building in 1905. In 1971, the Library was renamed Stark County District Library as a reflection of the Library's service to Stark County and its residents.

The Library's mission to "strengthen the community by advancing literacy, connecting people, and encouraging exploration," is lived through programs and services offered to everyone across the County. With a diverse collection of both physical and digital materials, including books, magazines and newspapers, movies, and music, the Library strives to provide materials of interest for patrons of all ages, from babies to seniors. Additionally, patrons can find "unexpected" offerings including the Library of Things – a collection of items that can be borrowed including Wi-Fi hotspots, radon detectors, telescopes, student driving cones, ukuleles and more. Beyond materials to borrow, the Library offers access to computers and Wi-Fi, printing/faxing, copying technology training, notary and passport services, genealogy research, a Maker Studio, meeting rooms and collection material delivery for the homebound. The Library is known in the community for its robust programming on literacy and school readiness, health and wellness, workforce development, authors and more. Signature programs include the Dr. Audrey Lavin Speaking of Books series, the Dolly Parton Imagination Library and the well-loved Summer Break and Summer Fun School, both of which combat summer learning loss. Also, the Library regularly collaborates with community partners to meet the unique needs of the community in areas such as mental health, food insecurity, workforce, digital literacy and school readiness.

In recognition of its innovative programs and services, the Library has received numerous awards and grants:

- A seven-time winner of the Library Journal's America's Star Libraries
- National Library Medal For Library Service (2009)
- Urban Libraries Council (ULC) Innovation Award Top Innovator for Bikesmart (2017)
- ULC Innovation Award Honorable Mention for Reimagining Summer at Your Library (2021)
- Ohio Department of Education Libraries Accelerating Learning Grant (2022)

In 2006, the Stark Library Foundation (the Foundation) was founded by a group of passionate volunteers determined to financially support the mission of the Library and help library leadership grow programming and service offerings. The Foundation strives to generate awareness that will spark curiosity and foster further knowledge about library resources, services, and opportunities. Through the Foundation's annual appeal and events, support for various Library initiatives has been created:

- The Dolly Parton Imagination Library
- Summer Break
- Speaking of Books Author Series
- Maker Space
- ReImagine Capital Campaign

The Friends of Stark Library (FOL) is a dedicated volunteer organization that assists and promotes the Library by raising funds through monthly book sales as well as securing financial support throughout the community. Its mission is:

- To promote increased community awareness and use of the library

- To enhance services and projects
- To develop and maintain a volunteer program

FOL supports the Library in the following ways:

- Host Staff Appreciation Events
- Sponsor informative programs and events for their members
- Raise funds through used book sales and other fundraisers
- Provide funds for services and equipment, including Dolly Parton's Imagination Library and Summer Break, beyond the Library's operating budget
- Support Vote Libraries political action committee
- Grant scholarships to Library employees working toward a Master's degree in Library and Information Science

For a discussion of the Library's current facilities, and on-going improvements to those facilities, see **Facilities** and **The Project**.

In addition to Public Library Fund receipts (see **Public Library Fund**), the Library is currently supported by proceeds of a 2.0-mill operating levy, approved by voters (by a 51% margin) in May 2019 and continuing through collection year 2028. See **Ad Valorem Property Taxes**.

Employees

The Library has 135 full time and 38 part time employees and 15 substitutes (representing a total of 161 FTEs). The Library has 48 professional librarians on staff.

In Fiscal Year 2024 the Library paid \$7,410,493 and in Fiscal Year 2025 projects paying \$7,700,000 for salaries and wages, and \$2,478,053 and \$3,000,000 for benefits such as employer retirement system contributions, workers' and unemployment compensation, and medical insurance premiums.

A total of 124 paraprofessional, clerical and maintenance staff are represented by the SEIU District 1199 WV/KY/POH, The Healthcare and Social Service Union. The current contract expires March 31, 2028, and provides for wage increases of 4% beginning April 2025, 3.75% beginning April 2026 and 3.75% beginning April 2027. The contract includes several adjustments to health insurance benefits sharing between employees and the Library. Beginning July 2026, employee medical premium contributions will increase 1% and increase an additional 1% in July 2027. Beginning July 2026, employee dental premium contributions will increase from 0% to 25% for all full-time employees and is pro-rated for all part-time employees.

All employees are employed at will. In the judgment of the Library, labor relations with all of its employees are good.

Facilities

The Library has 10 branch libraries, six mobile libraries, a 24/7 digital branch and is in the process of constructing a new operations center (see **The Project**). The Library's branch library facilities are:

Facility(a)	Square Footage
Main Library)(b)	131,243
DeHoff Memorial	4,600
East Canton	3,016
Jackson Community	10,205
Lake Community	8,000
Madge Youtz	5,100
North Branch	11,100
Perry Sippo	9,400
Plain Community	10,305
Southgate	4,800

(a) Library property is exempt from ad valorem taxation.

(b) See **The Project**.

Property (buildings and contents), boiler and machinery insurance, and fleet insurance, are provided through insurance with Cincinnati Insurance Company. Blanket limit for the property insurance is \$51,448,288 for buildings and contents, and for the boiler and machinery insurance is unlimited, both with \$2,500 deductibles. For the fleet insurance, there is a single limit of \$1,000,000 with no collision deductible. The renewal date for both general liability and fleet is July 1, 2026.

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 cyberattacks, 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 and may exceed applicable insurance coverages. Furthermore, cybersecurity breaches could expose the Library to material litigation and other legal risks, which could cause the Library to incur material costs.

The Library has not experienced any material cybersecurity incidents within the past five years.

The Library provides cybersecurity training to all staff, and is working to adopt a cybersecurity program in accordance with requirements in the State budget act for the biennium beginning July 1, 2025 through June 30, 2027. In addition, the Library carries cyber insurance with Travelers with, in general, a blanket limit of \$1 million, with a retention of \$25,000, per claim. The renewal date is May 11, 2026.

The Project

Re|imagine is a multi-year plan for the Library to fulfill its mission to strengthen the community by advancing literacy, connecting people, and encouraging exploration while meeting the changing needs of the surrounding community. The Library is meeting these needs by renovating buildings, upgrading technology and creating more flexible spaces for a wide range of use. The objectives of the project are:

- To serve each individual who walks through the Library's doors with excellence.
- To create more dynamic, flexible spaces that can adapt to meet the needs in the community.
- To implement technology improvements and library industry best practices to better serve patrons.
- To offer professionally curated materials that meet the needs and interests of patrons living in each community the Library serves.

Each of the Library's locations was evaluated to determine what renovations needed to be made to best serve the patrons in their communities. The evaluation included the age of the building, whether the building was owned by the Library or leased, and when it was last renovated. This comprehensive review found that some of the Library's buildings – many built more than 20 years ago – need major renovations to address the growing needs of the Library's patrons. This is the Library's first major renovation project in more than a decade.

The Library has completed the first phase of Re|imagine, the renovation of the DeHoff Memorial, East Canton, Lake Community, Madge Youtz, North and Perry Sippo Branches. In addition, the Library opened the new Jackson Community Branch in the North Park complex in 2021.

As the initial phase of the Re|imagine project concluded, the Library acknowledged the need for an on-going plan to address the upkeep and maintenance of all its facilities. In 2022, the Library contracted with consultants from the Kent State University Cleveland Urban Design Collaborative (CUDC) to develop an on-going master plan for the Library. CUDC conducted an extensive analysis of the entire Library system, including evaluations, research, interviews, branch visits, focus groups (engaging the staff and community) and data analysis. Through this evaluation, CUDC recommended that the next phase of the Re|imagine project should focus on the Main Library. The Main Library was constructed in 1978 and has not been renovated since 2001.

In January 2023, the Library announced the launch of "Re|imagine 2.0", divided into two phases.

The first phase of Re|imagine 2.0 involved renovation of Plain Community Branch and relocation of the Southgate (formerly Sandy Valley) Branch to the Southgate Shopping Center.

The second phase of Re|imagine 2.0 is focusing on a new Operations Center and construction of a new Main Library.

Operations Center. The Library is in the process of constructing, furnishing and equipping a new, approximately 30,000 square foot operations center (Operations Center) on the site of a warehouse building on Cleveland Avenue and clearing and improving the site. The Operations Center will be a non-public hub housing bookmobiles, mobile services, the Library's Collection Development Department and other functions. Demolition of the existing warehouse building occurred in July 2024, and construction of the Operations Center began in September 2024 and is

expected to take approximately 12 months to complete with an expected move-in date in September 2025. Costs of this portion of the second phase of Re|imagine 2.0 are being paid from proceeds of the Series 2024 Notes and cash on hand. See **Appendices A and B**.

New Main Library. An analysis of the existing Main Library indicated that repairing mechanical systems in the building would cost in excess of \$14 million and renovating the 114,000 square foot building to the standards applied to other locations in the Re|imagine project would cost approximately \$62 million.

The Library engaged an architect to evaluate the cost of building a new Main Library on the grounds of the current building. The recommendation from the architect included constructing a new, approximately 70,000 square foot Main Library to house all public services.

The Library began planning and design of the new Main Library in 2023 and expects to break ground on the new Main Library in early 2026. Construction is expected to take approximately three years to complete with an expected move-in in Spring or Summer 2028. This plan will allow the least disruption in Library services by housing support services and operations, which support the entire Library, in the Operations Center during the planned construction of the Main Library. The existing Main Library will be demolished prior to construction of the new Main Library, and during that time Main Library operations will be run out of a nearby building leased for that purpose.

The Library will finance the costs of construction of the new Main Library from proceeds of the Series 2025 Notes and cash on hand. See **Appendices A and B**.

Economic and Demographic Information

Population

Recent census populations have been:

Year	Library	County	MSA(a)
1970	N/A	372,210	393,789
1980	N/A	378,823	404,421
1990	N/A	367,585	394,106
2000	250,300	378,098	406,934
2010	238,344	375,586	405,334
2020	240,131(b)	371,516	398,711
2023	241,356(b)	373,764	400,495

(a) Stark and Carroll Counties.

(b) Source: The Library.

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2023 Census figures show the following breakdown by age groups of the population of the County:

Under							
5	5-19	20-34	35-44	45-54	55-64	65+	Total
20,621	68,887	67,122	44,561	45,159	52,314	75,100	373,764

Educational attainment for the County’s population (25 years or older) is set forth in the following table.

	County		MSA	
Less than 9th Grade	4,975	1.9%	5,815	2.1%
9th to 12th Grade (no diploma)	13,935	5.3	15,065	5.4
High School graduate (includes GED)	96,960	37.0	106,233	37.8
Some college, no degree	55,622	21.2	58,815	20.9
Associate degree	25,146	9.6	27,272	9.7
Bachelor degree	42,362	16.2	44,111	15.7
Graduate or professional degree	23,124	8.8	24,078	8.6

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023. Percentages may not total 100% due to rounding.

Industry and Commerce; Economic Development

Among the largest employers in the County are two hospital systems (see **Healthcare**), Metallus (formerly TimkenSteel) and The Timken Company (see **Steel and Bearings**), the County and Canton City School District (the School District). See also **Employment and Income**.

The following is a description of the some of the recent commercial and industrial activity and economic development in the County.

Recreation and Tourism. The largest and most prominent economic development project in the County at present is Johnson Controls Hall of Fame Village (the HOFV Project), a mixed-use project under continuing development located in the City and in Plain and Canton Townships in the northern portion of the County along I-77. The HOFV Project includes several different components that are to be completed in phases, with the centerpiece being the Hall of Fame Complex.

Construction of the HOFV Project began in September 2015 when reconstruction of the facility formerly known as Fawcett Stadium and construction of several playing fields, began on land now ground leased by the School District to the Stark County Port Authority (Port Authority), and subleased by the Port Authority to private development entities.

The \$250 million Phase I of development has been completed, including renovations to the Tom Benson Hall of Fame Stadium and construction of a National Youth Football and Sports Complex. Phase I consisted of the renovation of the Tom Benson Hall of Fame Stadium, the construction of five of the eight full-sized, multi-use regulation sized football fields, as well as forming a sports and entertainment media company – Hall of Fame Village Media – which produces programming by licensing the extensive content controlled by the Pro Football Hall of Fame as well as developing new programming assets.

The Hall of Fame Village Development, as currently completed, consists of the following:

- The phased demolition and reconstruction of the 23,000-seat Tom Benson Hall of Fame Stadium, which was completed in 2021.
- Seven turf fields (in addition to an existing leased field), together with related support buildings (including concessions, ticketing, restrooms and storage buildings) known as the Forever Lawn Sports Complex, which were completed in 2022.
- An approximately 73,000 square-foot class A office building known as the Constellation Center for Excellence was completed in October 2021.
- A 116,050 square-foot multi-use indoor sports and events performance facility known as the Center for Performance, which was completed in October 2022.
- Approximately 51,105 square feet of built space, housing a combination of restaurants and retail, including sports entertainment and themed experiential offerings, which were completed on or about October 1, 2022, but for any required tenant improvements.
- Approximately 22,498 square feet of built space housing a combination of restaurants and retail, including sports entertainment and themed experiential offering, which were completed on or about December 31, 2022, but for any required tenant improvements.
- Approximately three acres of developed land on the far west end of the Hall of Fame Village Development, which includes two amusement attractions (Ferris wheel and zip line), restroom facilities, site lighting and a gazebo with concession stands known as Play Action Plaza.
- Approximately 10 acres of land with completed roadways and related improvements privately owned (exclusive of portions thereof granted to the Port Authority) for use by the general public and to provide access in, to and through the Hall of Fame Village Development, completed on or about October 1, 2022.

Phase II of the development (expected to aggregate approximately \$300 million) also includes or will include two hotels (one on the project site and one in downtown Canton that opened in November 2020), the Hall of Fame Fan Engagement Zone and expansion of three additional fields and amenities within the Forever Lawn Sports Complex.

Phase III expansion plans are not yet fully developed (expected to aggregate approximately \$300 million), but may include a potential mix of residential space, additional attractions, entertainment, dining, merchandise and more. This phase would potentially be initiated upon substantial completion of Phase II.

The National Football League's annual Pro Football Hall of Fame pre-season, enshrinement game has been held at Tom Benson Hall of Fame Stadium starting in July 2017 (although the scheduled 2020 enshrinement game was postponed until August 2021 due to COVID-19), and the Stadium hosted the NCAA Division III football championship games in 2020 and 2021, plus key Ohio High School Athletic Association games.

In 2022, the City hosted postseason games for the United States Football League (USFL) at the Tom Benson Hall of Fame Stadium during the USFL's inaugural season. The Stadium served as the host site for the Pittsburgh Maulers and New Jersey Generals during their 2023 regular season.

The City recently hosted the league's North Division Playoff Game and Championship Game. The USFL has a direct and indirect impact on the area. Hotels, restaurants, retailers and transportation services benefit directly from football fans coming to the area and spending money at businesses. Also, food suppliers used by restaurants and the manufacturers that produce merchandise sold at the Stadium benefit indirectly from the economic activity. "Visit Canton", a visitor's bureau, estimated that the 2022 championship game and divisional playoff game had economic impacts of approximately \$2.5 million and \$1.5 million, respectively. In addition, the City's overnight hotel occupancy rate was up 13% the weekend of the championship.

The City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium with renovations completed in 2022. In 2021, the City and the School District entered into a Joint Facility Development and Use Agreement for 25 years giving the School District use of Thurman Munson Memorial Stadium (named after local baseball legend Thurman Munson) without paying fees in exchange for the School District providing significant stadium improvements. Some of the improvements included scoreboards at both fields, new batting cages and installing turf on the infield of the main field. These improvements allow the Munson Stadium Complex to be used for competitive league and tournament play. The stadium is home to the School District's Bulldogs, the Malone University Pioneers and all local senior baseball leagues amounting to over 1,500 games played over one season.

Healthcare. Among the County's top employers are Aultman Hospital (1,032 beds) (Aultman) and Cleveland Clinic Mercy Hospital (476 beds) (Mercy). Aultman, in support of the City's Comprehensive Plan, has been working collaboratively with the City, Community Building Partnership and Stark Community Foundation to advance the goals of transforming its campus and revitalizing the neighborhood.

In 2022, Aultman opened its 45,000 square foot, \$28 million Timken Family Cancer Center (the Center). Hallways connect the Center to the 13,000-square-foot Radiation Oncology Department, which was renovated as part of the Center's project and received \$5 million in equipment upgrades. The Aultman Health Foundation put \$10 million toward the \$28 million Center and the balance came from community donations. The Timken Foundation, for which the Center is named, donated \$3 million.

In 2022, Mercy announced plans for a new cancer center, the latest change to the hospital after The Cleveland Clinic Foundation acquired the facility in 2021. A renovation of 25,000 square feet of open space on the second floor will house the cancer center, which will include hematology and oncology services, infusion therapy, radiation treatment, support services and a breast center for diagnosis, treatment and survivor care. The project will cost an estimated \$7 million.

In 2023, Mercy donated a physician office building near the hospital to Beacon Charitable Pharmacy (Beacon) to assist its continuing work to provide low-cost prescription medications to members of the community. The one-story building has not been used in several years and Beacon plans to spend more than \$1 million to renovate the building to suit its needs. The new 5,800 square foot building is larger and will allow Beacon to expand its services, which include a pharmacy, immunizations, counseling, education regarding medications and assistance with issues affecting clients health such as food insecurity and addiction.

In 2023, Akron Children's Hospital opened a counseling facility for children ages 7-18. In 2022, City Council agreed to transfer a vacant City building for development of the facility. The estimated project cost is \$2.9 million for proposed building improvements and creation of 22 jobs.

Steel and Bearings. The world headquarters of TimkenSteel is in the City. Founded in 1917 and established as a standalone public company in 2014, TimkenSteel is a provider of high-quality specialty steel, manufactured components and supply chain solutions. TimkenSteel has its

roots in continuously improving steel for one of the most demanding applications, bearings. TimkenSteel Corporation and The Timken Company have made almost \$400 million in capital investments in their respective complexes in the region since 2012: a \$42 million office building at The Timken Research Center in Jackson Township (2013); \$85 million in capital improvements at The Timken Company's Faircrest and Gambrinus plants which have Canton addresses (2013); a \$220 million installation of the largest continuous vertical bloom caster in North America at its Faircrest plant (2014); and a \$40 million installation of an advanced quench-and-temper facility at its Gambrinus complex (2017).

Over the past several years, TimkenSteel has made numerous organizational changes to enhance profitable and sustainable growth. These company-wide actions included the restructuring of its business support functions, the reduction of management layers throughout the organization and other domestic and international actions to further improve the company's overall cost structure. Approximately 75 salaried positions were eliminated through restructuring actions in 2021. During this overall period of organizational changes, the company has eliminated approximately 290 salaried positions. In 2021, TimkenSteel idled its Harrison Steel Mill located in the City in a move that affected approximately 100 jobs. All steel melting and casting activities moved to the Faircrest Steel Mill also in the City and which has seen upgrades in recent years. Finishing operations and rolling mills in the Harrison plant continue operating.

As of February 27, 2024, TimkenSteel changed its name to Metallus Inc. (NYSE: MTUS).

Oil and Gas. Recent industrial and commercial activity in the County has included the formation of midstream companies to help produce, locate and explore the Utica Shale natural gas region (Utica Shale Region) in eastern Ohio. Chesapeake Energy built and opened regional field operations in Louisville to help develop their one million acre leasehold interest in the Utica Shale Region, a large portion of which is within 50 miles east and south of the County. In November 2018, all Chesapeake Energy's Ohio assets in the Utica Shale Region were purchased by Encino Acquisition Partners, a company comprised of Encino Energy and the Canada Pension Plan and Investment Board (Encino). Encino is keeping its Utica Shale Region headquarters in the City of Louisville. Baker Hughes (now Byron Jackson Services) built and opened its regional well completion facility in the City of Massillon to frack and complete Chesapeake drilled wells. Midstream Access (now Williams Partners) has leased 70,000 square feet of office space in Jackson Township and partnered with Chesapeake Energy, now Encino Acquisition Partners, to develop the Kensington Syngeneic plant, located in Columbiana County, and the Scio fractionation plant, located in Harrison County, that represents a \$2.0 billion investment to process natural gas liquids in the Utica Shale Region.

Three transmission lines, the Rover, Nexus and Kinder Morgan pipelines have been constructed to natural gas products from the Utica Shale Region to western Ohio and Canada. Each passes through the County and affords the opportunity to serve chemical and plastics manufacturing concerns.

Stark State College of Technology, a public two-year technical college, partnered with the State to develop a \$10 million oil and gas training center in downtown Canton to provide education opportunities in the petroleum industry and related trades. Stark State College partners with several other community colleges in the Utica Shale and Marcellus regions to offer complement any oil and gas programs.

Other Developments. Diebold Nixdorf, an ATM and self-checkout manufacturer, announced in January 2024 it will be leaving its headquarters in the City of Hudson in Summit County to consolidate its Northeast Ohio employees in one location in the City of North Canton. The move will result in 100 jobs moving to the City of North Canton. The City of North Canton location formerly housed the company's manufacturing, research and development and logistics functions.

As part of the move, Diebold expects to add space at the City of North Canton location. Diebold had filed for bankruptcy in May 2023 and emerged from bankruptcy in August 2023.

The new one million square foot Amazon Fulfillment Center opened in the City in May 2023. Approximately 1,000 people are employed to ship bulky or large items, such as patio furniture and rugs.

From the concept as a winery in 2010, the large 55-acre Gervasi Vineyard estate has grown considerably over the past decade. Gervasi houses a state-of-the-art winery offering more than 20 varietals of wines made on-site. In addition, there are four distinct restaurants on the property: The Bistro, The Crush House Wine Bar & Eatery, The Still House and The Piazza. Two large event spaces, The Pavilion and The Villa Grande, were built to host high-end weddings, social functions and corporate events. The Marketplace offers a boutique shopping experience. Guests may stay overnight on property with the option of three lodging facilities, The Villas, The Casa and The Farmhouse. After announcing the project in 2022, the Vineyard recently completed the addition of a 20,000 square feet project which includes The Spa, The Wine Cave, product warehouse and distribution facility and Rickhouse. The City estimates that the Vineyard has invested \$15 million in the estate between 2018 and 2024.

Employment and Income

The following table shows comparative employment and unemployment statistics for the indicated periods.

Year(a)	Employed in		Unemployment Rate			
	County	MSA	County	MSA	State	U.S.
2020	165,900	177,000	8.2%	8.2%	8.2%	8.1%
2021	169,500	180,900	5.5	5.5	5.3	5.3
2022	170,000	181,400	4.1	4.1	4.0	3.6
2023	172,200	183,900	3.9	3.9	3.7	3.6
2024	174,700	186,400	4.5	4.5	4.3	4.0
2025						
Jan.	172,500	184,100	5.7	5.7	5.3	4.4
Feb.	174,000	185,600	5.7	5.8	5.4	4.5
Mar.	176,400	188,100	5.6	5.6	5.2	4.2
Apr.	175,700	187,400	5.2	5.2	4.9	3.9
May	175,400	187,100	4.8	4.8	4.7	4.0
Jun.	175,800	187,500	5.1	5.1	5.1	4.4
July	176,100	187,900	5.4	5.4	5.5	4.6

(a) Not seasonally adjusted.

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

The following table lists the manufacturing and nonmanufacturing employers (private and public) having the largest workforces within the County (as of December 2024).

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Employer	Nature of Activity or Business	Approximate Number of Employees
Aultman Health Foundation	Health care, insurance	6,800
Cleveland Clinic	Health care	2,421
The County	Government	2,154
FreshMark, Inc.	Meat processing	1,783
Metallus (f/k/a TimkenSteel)	Manufacturer of steel	1,704
Canton City School District	Education	1,702
Giant Eagle	Grocer	1,166
The Timken Company	Bell and Roller Ball Manufacturing	862
YMCA	Social services organization	850
Stark State College	Higher education	794

Source: The County's Annual Comprehensive Financial Report for the year Ended December 31, 2024.

The 2023 median family and household incomes, as reported by the Census Bureau in its "2019-2023 American Community Survey 5-Year Estimates," are set forth in the following table.

	2023 Median Income	
	Family	Household
County	\$83,609	\$65,740
MSA	83,112	65,666
State	90,288	69,680
United States	96,922	78,538

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the County filing Ohio personal income tax returns for calendar year 2022 was \$70,883, compared to the averages of \$112,498 for all Ohio school districts (for all tax returns filed, the 2022 State average for tax returns that indicated school districts was \$78,768).

The income per household in the County and the MSA are estimated to be distributed as set forth in the following table.

Income and Benefits(a)	County		MSA	
Less than \$10,000	7,127	4.6%	7,560	4.5%
\$10,000 to \$14,999	5,932	3.8	6,323	3.8
\$15,000 to \$24,999	12,786	8.2	13,905	8.3
\$25,000 to \$34,999	13,830	8.9	14,808	8.9
\$35,000 to \$49,999	19,373	12.5	20,758	12.4
\$50,000 to \$74,999	29,076	18.7	31,632	19.0
\$75,000 to \$99,999	22,101	14.2	23,685	14.2
\$100,000 to \$149,999	25,450	16.4	27,156	16.3
\$150,000 to \$199,999	10,804	7.0	11,505	6.9
\$200,000 or more	8,887	5.7	9,510	5.7

(a) In 2023 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

The U.S. Census Bureau also estimates that 12.7% of people in the County, and 12.7% of the people in the MSA have incomes that fall below the poverty level.

Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the County, with comparative State statistics:

	2023 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units		% Change
			2010(b)	2023(a)	
County	\$177,700	21.0%	165,215	167,525	+1.4%
State	199,200	19.2	5,127,508	5,271,573	+2.8

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

(b) Source: U.S. Census Bureau American Fact-Finder 2010 Census Redistricting Data (Public Law 94-171) Summary File.

County Auditor figures for average sale prices of residential property in the County are shown in the following table.

Year	Value
2020	\$188,839
2021	195,365
2022	239,050
2023	215,300
2024	235,800

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued in the County in recent years, as reported by the Building Inspector and Zoning Department, were:

Year	Number	Value
2020	2,749	\$618,276,497
2021	4,557	822,735,420
2022	3,725	681,016,700
2023	3,335	624,476,948
2024	3,424	886,082,049

Utilities; Public Safety and Services

Water service within the Library and the County is provided by municipal water utilities and the County and individual wells. Sanitary sewage collection and disposal is provided by municipal sanitary sewer utilities and the County and individual septic systems. Electricity is obtained from American Electric Power, and natural gas is supplied by Dominion Energy, Columbia Gas of Ohio and All American Energy. Fire and police protection is provided by municipal and township departments.

FINANCIAL MATTERS

Introduction

The Library's Fiscal Year corresponds with the January 1 to December 31 calendar year. Property taxes are levied and collected on a calendar year basis.

The main sources of Library revenue have been and are property taxes and the Public Library Fund distributions, as described below.

The Board is responsible for general policy decisions with respect to all financial affairs of the Library as well as for overall fiscal planning and development in coordination with the Fiscal Officer (the Fiscal Officer) and Executive Director. The Fiscal Officer is the fiscal officer and chief accounting officer and keeps the books and accurate statements of all moneys received and expended. The Fiscal Officer is responsible for receiving, investing and maintaining custody of and dispersing all Library money. The Fiscal Officer prepares and presents a monthly financial report for review and approval of the Board. The Fiscal Officer has a \$100,000 surety bond with The Cincinnati Insurance Company; the renewal date is January 10, 2026.

Other important financial functions include general financial recommendations and planning by the Executive Director and the administrative staff; budget preparation by the Fiscal Officer; and express approval of all budgeting and appropriations by the Board.

Investments and deposits of Library funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code). The Fiscal Officer is responsible for those investments and deposits. Under recent and current practices and the Board's approved investment policy, in addition to deposits evidenced by interest bearing certificates of deposit, investments are made in the State Treasurer's subdivision investment pool (STAR Ohio), federal agency securities and money market mutual funds.

For property taxation purposes, assessment of real property is by the County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

Budgeting, Property Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, tax levies and appropriations are made in the Revised Code.

The law generally requires that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next fiscal year. The tax budget then is presented for review by the county budget commission, comprised of the county auditor, county treasurer and prosecuting attorney. A county budget commission may, however, waive the requirement for a tax budget and require an alternative form of more limited information required by the commission to perform its duties. The County Budget Commission has not waived the requirement of a tax budget from the County.

The county budget commission then determines and approves levies for debt service outside and inside the ten-mill limitation. The Revised Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein."

The county budget commission then certifies to each subdivision its action together with the estimate by the county auditor of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the Board approves the tax levies and certifies them to the county auditor. The approved and certified tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two equal installments, the first usually in February and the second in July.

The Board adopts a permanent appropriation measure in January and then, by April 1, a permanent appropriation measure for that Fiscal Year. Although called “permanent,” the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources, and the County Auditor must certify that the Library’s appropriation measures do not appropriate moneys in excess of the amounts set forth in those estimates.

Financial Reports and Audits

The Library maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the State Auditor. The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

Historically, Library receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor which are generally applicable to all Ohio library districts. These accounting procedures conform to generally accepted accounting principles as recommended by the Governmental Accounting Standards Board. Those recommendations, among other things, provide for a cash basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement fund), as well as for all other funds, and for the preparation for each fund of balance sheets, statements of revenue and expenditures and statements showing changes in fund balances.

Beginning with Fiscal Year 2023, the records of these cash receipts and expenditures will be converted annually for reporting purposes to a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

Audits are made by the State Auditor, or by CPAs at the direction of that officer, pursuant to Ohio law, and examinations or audits are made under certain federal program requirements. No other independent examination or audit of the Library’s financial records is made.

The most recent audit (including compliance audit) of the Library’s accounts by the State Auditor was completed through Fiscal Year 2023. No material findings, citations or items for adjustment, or material weaknesses in internal controls, were noted as part of the audit. The audit for Fiscal Year 2024 by the State Auditor is underway and continuing.

Annual financial reports are prepared by the Library, and filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for a comparative cash basis summary of General Fund receipts and expenditures for the last five Fiscal Years and estimated for Fiscal Year 2025. That summary has been prepared by the Library in comparative form from statements prepared by the Fiscal Officer. All funds receipts and expenditures for the two prior Fiscal Years are set forth in **Appendix B**. Audited Basic Financial Statements for Fiscal Year 2023 are set forth in **Appendix C-1**. Unaudited Basic Financial Statements for Fiscal Year 2024 are set forth in **Appendix C-2**.

Financial Outlook

The following is provided for general information. *The Series 2025 Notes are special obligations of the Library, secured by a pledge of the Library's allocation from the Public Library Fund as described under Security and Sources of Payment. The Series 2025 Notes are not and will not be secured by the full faith and credit of the Library or by any revenues of the Library other than those which are specifically pledged.*

Public Library Fund Revenues. The Library is currently forecasting its Public Library Fund distributions to slightly decrease the next State biennium budget. Public Library Fund Distributions in Fiscal Year 2024 decreased 5.7%, and the Library projects an increase of 0.03% for Fiscal Year 2025 and a decrease of 0.02% for Fiscal Year 2026. See **Public Library Fund and Appendix A.**

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.

Ad Valorem Property Taxes. At the election on May 7, 2019, the Library's electors approved an additional 2.0-mill tax levy for the purpose of current expenses for eight years. The Library ceased collection of its then-existing 1.7-mill levy beginning in collection year 2020 having received voter approval for the 2.0-mill levy. See **Ad Valorem Property Taxes – Tax Rates – Tax Table C.** At this time, the Library expects to submit the voters at the election to be held on November 3, 2026, the question of the renewal or replacement of its existing 2.0-mill tax levy.

General Fund Balances. The Library had a General Fund balance of \$13,383,449 at December 31, 2024, and currently projects a General Fund balance of \$4,347,324 at December 31, 2025. Year-end General Fund balances were \$10,997,582, \$8,828,086, \$12,293,161 and \$9,613,464 in Fiscal Years 2020, 2021, 2022 and 2023, respectively. See **Appendix A.**

Capital Improvement Fund. After completion of the Project and the new Operations Center (see **The Library – Library System – The Project**), the Library estimates that there will be a balance in the Capital Improvement Fund of approximately \$2,000,000. This balance will allow for continued maintenance of Library facilities. This balance represents approximately 11% of the Library's annual operational expenses.

GENERAL FUND

The General Fund is the Library's main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives moneys from a variety of sources, but primarily from ad valorem property taxes and Public Library Fund distributions from the State. For details, see **Appendix A.**

PUBLIC LIBRARY FUND

Beginning in 1933, Ohio public libraries were supported from revenues of an intangible personal property tax. In the 1980s, that tax was repealed and the General Assembly created the Library and Local Government Support Fund (LLGSF) to fund public libraries. In 2008, the LLGSF was renamed the Public Library Fund.

The Public Library Fund is divided among the State's 88 counties pursuant to a two-part distribution formula.

First, the formula guarantees each county the amount of revenue received from the Public Library Fund in the preceding year, adjusted for inflation. This portion is referred to as the “guaranteed share.” If the sum of the guaranteed shares for all counties exceeds that year’s balance in the Public Library Fund, the guaranteed shares of all counties are reduced by a percentage that will result in the sum of the guaranteed shares being equal to that year’s Public Library Fund balance.

Second, if there are moneys in the Public Library Fund after payment of each county’s guaranteed share, the remainder is distributed according to an “equalization ratio.” The equalization ratio distributes the excess in inverse proportion to per capita funding levels among the counties; those counties that receive less per capita in the guaranteed share receive more under the equalization ratio.

Distribution of Public Library Fund moneys is administered by the State Tax Commissioner and the county treasurers or fiscal officers. On or before July 20 of each year, the State Tax Commissioner must estimate and certify to each county auditor or fiscal officer that county’s:

- Guaranteed share for the next fiscal year.
- Share of any excess for the next fiscal year.
- Total Public Library Fund entitlement.

In the December and June following such certifications, the State Tax Commissioner must revise the estimates and certify those revised estimates to the respective county auditors or fiscal officers.

By the 15th day of each month, the State Tax Commissioner must distribute the amount credited to the Public Library Fund in that month as follows:

- During the first six months of each year, each county is paid a percentage of the balance equal to the proportion of the revised estimate of the county’s total entitlement certified in December to the sum of the revised estimates of the total entitlements for all counties.
- During the last six months, each county is paid a percentage of the balance equal to the proportion of the revised estimate of the county’s total entitlement certified in June to the sum of the revised estimates of the total entitlements for all counties.

Monthly payments made during the first six months of the year are adjusted such that (i) if the county received an overpayment during the preceding year, the sum of the payments is reduced by the amount of the overpayment, apportioned over the six months, and (ii) if the county received an underpayment during the preceding year, the sum of the payments is increased by the amount of the underpayment, apportioned over the six months.

By December 20 of each year, the State Tax Commissioner must determine and certify to each county auditor or fiscal officer, with respect to the current distribution year, (i) the year’s fund balance, (ii) the county’s guaranteed share, (iii) the county’s share of any excess, (iv) the county’s total entitlement, (v) the county’s net distribution and (vi) the amount by which the county’s net distribution exceeded or was less than its total entitlement (the county’s overpayment or underpayment for purposes of the next distribution year).

On the 15th day of each month, the county treasurer must distribute the balance in the county’s Public Library Fund among the county, boards of public library trustees, municipal corporations, and boards of township park commissioners for which the county budget commission

has fixed an allocation from the fund in that year in the same proportions that each such entity's allocation, as fixed by the County Budget Commission, is of the total of all allocations in that year.

The Budget Commission of each county distributes that county's Public Library Fund moneys to libraries eligible to participate in the proceeds of that Fund. To be so eligible, a library must have been organized and operating prior to January 1, 1968, and have participated in the distribution of the proceeds of the county's Public Library Fund prior to December 31, 2005, and have extended the benefits of the library service of the library to all the inhabitants of the county on equal terms, unless library service is by law available to all such inhabitants.

Until and through 2007, State funding levels of the Public Library Fund were tied to a percentage of the State's income tax collections, beginning at 6.3% in 1986 and ending at 5.7% in 2007, with varying freezes and caps during those years. In 2008, legislative amendments tied funding levels to a percentage of the State's general tax revenues and established a percentage of 2.22% for the 2008-2009 biennium. Subsequently, the General Assembly reduced that percentage to 1.97% for the 2010-2011 biennium (an 11% reduction in the stated percentage).

Pursuant to the State budget act for the biennium beginning July 1, 2011 through June 30, 2013, for the first month of that biennium (i.e. July 2011), Public Library Fund funding was based on 2.22% of the State's general tax revenues as described above. For the duration of the 2012-13 biennium (i.e., August 2011 through June 2013), the "percentage of revenue" funding method was not used, and instead Public Library Fund funding was set at 95% of the amount received during Fiscal Year 2011, before certain transfers. Beginning in July 2013, the "percentage of revenue" funding method went back into effect and, in July 2013, a one-time calculation was performed to replace the former 2.22% rate, derived by dividing the Fiscal Year 2013 Public Library Fund deposits by total State general tax revenues received during Fiscal Year 2013. The resulting rate of 1.66% of the State's general tax revenues took effect with the July 2013 Public Library Fund distributions. The State budget act for the biennium beginning July 1, 2015 through June 30, 2017, temporarily raised the rate from 1.66% to 1.70% effective with the July 2015 Public Library Fund distribution through June 30, 2017. The State budget act for the biennium beginning July 1, 2017 through June 30, 2019, temporarily lowered the rate from 1.70% to 1.68% effective with the July 2017 Public Library Fund distribution through June 30, 2019. The State budget act for the biennium beginning July 1, 2019 through June 30, 2021, temporarily increased the rate from 1.68% to 1.70% effective with the July 2019 Public Library Fund distribution through June 30, 2021. The State budget act for the biennium beginning July 1, 2021 through June 30, 2023, kept the ratio at 1.70% through June 30, 2023. The State budget act for the biennium beginning July 1, 2023 through June 30, 2025, kept the ratio at 1.70% through June 30, 2025.

The State budget act for the biennium beginning July 1, 2025 through June 30, 2027, discontinues the practice of tying funding levels to a percentage of the State's general tax revenues, opting instead to provide funding through a direct general revenue fund appropriation by the General Assembly. In Fiscal Year 2026, that amount will be \$490 million and in Fiscal Year 2027 will be \$500 million. In addition, the State budget act also includes annual transfers of approximately \$10.3 million each fiscal year from the PLF to support the State Library of Ohio, Ohio Public Library Information Network (OPLIN), Library for the Blind, certain regional library systems and Ohioana Library Association, resulting in less funds available for distribution to public libraries. Finally, PLF transfers will be made by transferring one-twelfth of the PLF appropriation for the fiscal year each month to the PLF for further distribution.

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The following table presents historical total Statewide Public Library Fund distributions:

Year	Total Statewide Public Library Fund Distributions
2015	\$380,895,471
2016	377,013,870
2017	378,534,386
2018	393,738,561
2019	410,171,050
2020	409,405,535
2021	464,405,999
2022	502,387,686
2023	510,185,923
2024	483,378,662
2025(a)	333,029,710

(a) Through August 31, 2025; Public Library Fund distributions through August 31, 2024, were \$314,486,191.

Source: Ohio Library Council; Ohio Department of Taxation.

In addition to the Library, there are six additional public libraries in the County that receive distribution from the County's Public Library Fund: Canal Fulton Library District, Massillon Public Library, Minerva Public Library, North Canton Library, Rodman Public Library and Louisville Public Library. The Library receives approximately 55.7% of the County's distribution.

The following table presents certain information concerning Public Library Fund distributions to the Library for the years indicated ("GF" = General Fund):

Fiscal Year	Total Public Library Fund Receipts	Net Public Library Fund Receipts(a)	Net Receipts as % of Total GF Receipts(b)	Net Receipts as % of Total GF Expenditures(b)
2020(c)	\$7,425,704	\$7,093,876	37.4%	56.0%
2021(c)	8,405,887	7,769,739	39.7	55.0
2022	9,093,366	8,446,461	41.3	56.4
2023	9,234,517	8,589,367	40.1	50.2
2024	8,709,878	7,641,256	37.2	45.5
2025(d)	8,869,962	7,612,882	37.3	43.6

(a) Amount deposited to the General Fund, which are net of the portion of total Public Library Fund receipts allocated to debt retirement funds to pay debt charges on the Series 2018 Notes, Series 2020 Notes and Series 2024 Notes. See **Appendices A and B**.

(b) See **Appendix A** for details regarding General Fund receipts and expenditures.

(c) See **COVID-19 Pandemic**.

(d) Estimated.

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 SERIES 2025 NOTES ARE PAYABLE SOLELY FROM THE LIBRARY'S PUBLIC LIBRARY FUNDS PLEDGED FOR THEIR PAYMENT.** See **Security and Sources of Payment**.

AD VALOREM PROPERTY TAXES

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the Library.

Collection Year	Real(a)	Public Utility(b)	Total Assessed Valuation
2021	\$5,258,303,760	\$682,377,220	\$5,940,680,980
2022(c)	6,091,297,530	685,253,920	6,776,551,450
2023	6,142,857,550	722,522,730	6,865,380,280
2024	6,201,882,450	759,137,110	6,961,019,560
2025(d)	8,263,019,930	792,782,400	9,055,802,330

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads.

(c) Reflects triennial adjustment.

(d) Reflects sexennial reappraisal.

Source: County Auditor.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Based on County Auditor records of assessed valuations for the 2025 collection year, the largest Library ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Total Assessed Valuation
Strip Delaware LLC	Real estate	\$33,792,450
Belden Mall LLC	Shopping mall	23,182,510
Belden Park Delaware LLC	Real estate	20,981,320
Fresh Mark Inc.	Lunch meat products	20,508,140
TimkenSteel Corporation	Steel manufacturer	18,314,250
Republic Engineered Products Inc	Steel manufacturer	16,717,960
Sterilite Corporation of Ohio	Plastic housewares	14,480,080
Wildcat V LLC	Real estate	13,865,510
HRM Enterprises Inc	Woodworking tools & supplies	13,830,360
American Landfill Inc	Landfill	12,926,360

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Auditor adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in the 2024 duplicate (collection year 2025) and in the ad valorem taxes distributed to the Library in 2025 and thereafter. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Auditor undertook such a triennial adjustment in 2021. That adjustment was reflected in the 2021 duplicate (collection year 2022).

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and the 2002 reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, as described above, eligible local governments have received reimbursement payments from the State to account for the loss of property tax revenue. The Library no longer receives any related State reimbursement payments.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the Library and the taxing subdivisions it overlaps levied ad valorem property taxes for tax year 2024 (collection year 2025).

TAX TABLE A
Tax Rates Within the Library

TAXING DISTRICT	COUNTY	TWP	MUNI	SCHOOL	VOC.	SPECIAL	TOTAL	REDUCTION FACTOR	
					SCHOOL	DISTRICT		RESID/AG	OTHERS
STARK COUNTY									
Alliance City - Alliance CSD	11.50		7.00	56.50		2.50	77.50	0.476307	0.458606
Canton City - Canton CSD	11.50		8.40	81.40		3.00	104.30	0.549159	0.465135
Canton City - Canton LSD	11.50		7.60	53.60		3.00	75.70	0.503036	0.489024
Canton City - Plain LSD	11.50		7.00	61.70		3.00	83.20	0.581848	0.504258
Canton City - Louisville CSD	11.50		7.80	59.40	2.00	2.00	82.70	0.439719	0.42576
Massillon City - Tuslaw LSD	11.50		3.70	58.90	2.00	3.00	79.10	0.511183	0.498729
Massillon City - Fairless LSD	11.50		4.70	43.00	2.00	3.00	64.20	0.325442	0.309848
Massillon City - Massillon CSD	11.50		5.20	46.65		3.90	67.25	0.230917	0.214415
Massillon City - Perry LSD	11.50		3.10	47.10		3.00	64.70	0.335634	0.318633
Massillon City - Jackson LSD	11.50		3.50	44.50		3.00	62.50	0.358633	0.342871
Bethlehem Township - Fairless LSD	11.50	4.00		43.00	2.00	6.50	67.00	0.341025	0.328609
Bethlehem Township - Tuscarawas Valley LSD	11.50	4.00		35.00	2.80	6.50	59.80	0.186787	0.169993
Bethlehem Township - Navarre Village - Fairless LSD	11.50	0.50	2.70	43.00	2.00	7.40	67.10	0.336466	0.318173

REDUCTION FACTOR

TAXING DISTRICT	COUNTY	TWP	MUNI	SCHOOL	VOC. SCHOOL	SPECIAL DISTRICT	TOTAL	RESID/AG	OTHERS
Canton Township - Canton LSD	11.50	15.90		53.60		3.00	84.00	0.487504	0.470919
Canton Township - Canton CSD	11.50	15.90		81.40		3.00	111.80	0.537995	0.456633
Canton Township - Canton City - Canton CSD	11.50	11.00	7.80	81.40		3.00	114.70	0.532208	0.454447
Canton Township - Canton City - Canton LSD	11.50	11.00	7.00	53.60		3.00	86.10	0.486025	0.471931
Canton Township - Meyers Lake Village - Canton CSD	11.50	11.00	3.80	81.40		3.00	110.70	0.534637	0.453255
Jackson Township - Jackson LSD	11.50	20.25		44.50		3.00	79.25	0.366205	0.34443
Jackson Twp - Canton City - Jackson LSD	11.50	12.80	6.70	44.50		3.00	78.50	0.383955	0.361593
Jackson Twp - North Canton City - Jackson LSD	11.50	12.80	10.00	44.50			81.80	0.376262	0.347805
Jackson Township - Plain LSD	11.50	20.25		61.70		3.00	96.45	0.549361	0.475553
Jackson Township - Hills And Dales Village - Plain LSD	11.50	12.80	32.20	61.70		3.00	121.20	0.5194	0.368257
Lake Township - Lake LSD	11.50	10.50		82.30		3.00	107.30	0.54689	0.433893
Lake Township - North Canton CSD	11.50	10.50		87.20		2.50	111.70	0.577819	0.469528
Lake Township - Plain LSD	11.50	10.50		61.70		3.00	86.70	0.572134	0.48192
Lake Township - Uniontown Police District - Lake LSD	11.50	21.30		82.30		3.00	118.10	0.5567	0.435032
Lake Twp - Uniontown Police District - North Canton CSD	11.50	21.30		87.20		2.50	122.50	0.584549	0.467484
Lake Township - Hartville Village - Lake LSD	11.50	0.20	8.05	82.30		3.00	105.05	0.557632	0.44486
Lawrence Township - Tuslaw LSD	11.50	16.15		58.90	2.00	3.00	91.55	0.497813	0.511413
Lawrence Township - Canal Fulton City - Tuslaw LSD	11.50	0.60	3.10	58.90	2.00	3.00	79.10	0.513154	0.499086
Lawrence Township - Jackson LSD	11.50	16.15		44.50		3.00	75.15	0.366664	0.383232
Lawrence Township - Canal Fulton City - Jackson LSD	11.50	0.60	2.90	44.50		3.00	62.50	0.361128	0.343324
Lawrence Township - Northwest LSD	11.50	16.15		49.80	2.00	3.00	82.45	0.425983	0.439669
Lawrence Township - Canal Fulton City - Northwest LSD	11.50	0.60	4.00	49.80	2.00	3.00	70.90	0.425077	0.407737
Canal Fulton City - Northwest LSD	11.50		4.00	49.80	2.00	3.00	70.30	0.428705	0.411217
Lexington Township - Marlinton LSD	11.50	11.85		56.90		2.50	82.75	0.573993	0.530126
Lexington Township - Alliance CSD	11.50	11.85		56.50		2.50	82.35	0.491349	0.482049
Marlboro Township - Marlinton LSD	11.50	13.85		56.90		2.50	84.75	0.546488	0.518385
Marlboro Township - Lake LSD	11.50	13.85		82.30		3.00	110.65	0.531397	0.449476
Nimishillen Township - Louisville CSD	11.50	12.00		59.40	2.00	2.00	86.90	0.445039	0.424991
Nimishillen Twp - Louisville City - Louisville CSD	11.50	11.00	1.80	59.40	2.00	2.00	87.70	0.440979	0.421114
Nimishillen Township - Marlinton LSD	11.50	12.00		56.90		2.50	82.90	0.57071	0.514456
Nimishillen Township - Canton City - Louisville CSD	11.50	11.00	6.80	59.40	2.00	2.00	92.70	0.442458	0.423462
Nimishillen Township - Plain LSD	11.50	12.00		61.70		3.00	88.20	0.575043	0.495188
Louisville City - Louisville CSD	11.50		2.80	59.40	2.00	2.00	77.70	0.437874	0.423257
Osnaburg Township - Osnaburg LSD	11.50	9.70		60.50		3.00	84.70	0.556293	0.543053
Osnaburg Township - Canton City - Osnaburg LSD	11.50	7.70	7.30	60.50		3.00	90.00	0.549556	0.536887
Osnaburg Township - Canton LSD	11.50	9.70		53.60		3.00	77.80	0.5063	0.491917
Osnaburg Township - Canton City - Canton LSD	11.50	7.70	7.20	53.60		3.00	83.00	0.502797	0.48909
Osnaburg Township - Minerva LSD	11.50	9.70		39.80	2.00	1.00	64.00	0.342438	0.326193
Osnaburg Township - East Canton Village - Osnaburg LSD	11.50	7.70	10.40	60.50		3.00	93.10	0.538868	0.534768
Paris Township - Minerva LSD	11.50	4.60		39.80	2.00	8.00	65.90	0.324249	0.309243
Paris Township - Minerva Village - Minerva LSD	11.50	0.80	5.50	39.80	2.00	8.00	67.60	0.329424	0.305891
Paris Township - Brown LSD	11.50	4.60		49.15	2.00	8.00	75.25	0.296637	0.250557
Perry Township - Perry LSD	11.50	16.30		47.10		3.00	77.90	0.340983	0.322608
Perry Twp - Canton City - Perry LSD	11.50	7.00	6.50	47.10		3.00	75.10	0.364805	0.33703
Perry Twp - Massillon City - Perry LSD	11.50	7.00	3.00	47.10		3.00	71.60	0.35427	0.326217

REDUCTION FACTOR

TAXING DISTRICT	COUNTY	TWP	MUNI	SCHOOL	VOC. SCHOOL	SPECIAL DISTRICT	TOTAL	RESID/AG	OTHERS
Perry Township - Fairless LSD	11.50	16.30		43.00	2.00	3.00	75.80	0.339584	0.322003
Perry Township - Navarre Village - Fairless LSD	11.50	7.00	3.10	43.00	2.00	7.40	74.00	0.35442	0.325555
Perry Township - Jackson LSD	11.50	16.30		44.50		3.00	75.30	0.362041	0.344556
Perry Township - Massillon CSD	11.50	16.30		46.65		3.90	78.35	0.260067	0.241672
Perry Township - Tuslaw LSD	11.50	16.30		58.90	2.00	3.00	91.70	0.493802	0.479444
Perry Township - Navarre Village - Perry LSD	11.50	7.00	1.50	47.10		7.40	74.50	0.363077	0.333079
Pike Township - Sandy Valley LSD	11.50	5.60		44.40		7.00	68.50	0.409139	0.394118
Pike Township - Canton LSD	11.50	5.60		53.60		7.00	77.70	0.498852	0.491456
Pike Township - Tuscarawas Valley LSD	11.50	5.60		35.00	2.80	7.00	61.90	0.192676	0.18032
Pike Township - East Sparta Village - Sandy Valley LSD	11.50	0.60	12.65	44.40		7.00	76.15	0.417706	0.420935
Plain Township - Plain LSD	11.50	19.45		61.70		3.00	95.65	0.557761	0.476621
Plain Township - Canton LSD	11.50	19.45		53.60		3.00	87.55	0.491375	0.464348
Plain Township - Canton City - Canton CSD	11.50	1.10	8.30	81.40		3.00	105.30	0.547401	0.463404
Plain Township - Jackson LSD	11.50	19.45		44.50		3.00	78.45	0.374579	0.344395
Plain Twp - Canton City - Jackson LSD	11.50	1.10	6.90	44.50		3.00	67.00	0.370294	0.353225
Plain Township - North Canton CSD	11.50	19.45		87.20		2.50	120.65	0.566002	0.466247
Plain Township - Canton City - North Canton CSD	11.50	1.10	7.40	87.20		2.50	109.70	0.580785	0.482233
Plain Township - North Canton City - North Canton CSD	11.50	1.10	10.70	87.20		2.50	113.00	0.569468	0.468728
North Canton City - North Canton CSD	11.50		10.70	87.20		2.50	111.90	0.571812	0.470809
Plain Township - North Canton City - Jackson LSD	11.50	1.10	10.20	44.50		3.00	70.30	0.361984	0.337574
North Canton City - Jackson LSD	11.50		10.30	44.50		3.00	69.30	0.361955	0.338364
Plain Township - North Canton City - Plain LSD	11.50	1.10	10.20	61.70		3.00	87.50	0.564704	0.483457
North Canton City - Plain LSD	11.50		10.30	61.70		3.00	86.50	0.567023	0.485776
Plain Township - Canton CSD	11.50	19.45		81.40		3.00	115.35	0.539379	0.452086
Plain Township - Canton City - Plain LSD	11.50	1.10	6.90	61.70		3.00	84.20	0.579261	0.501628
Plain Township - Meyers Lake Village - Canton CSD	11.50	1.10	3.80	81.40		3.00	100.80	0.553387	0.464722
Sandy Township - Sandy Valley LSD	11.50	2.60		44.40		12.50	71.00	0.39334	0.402166
Sandy Township - Canton LSD	11.50	2.60		53.60		12.50	80.20	0.482069	0.495547
Sandy Township - Osnaburg LSD	11.50	2.60		60.50		12.50	87.10	0.532604	0.544986
Sandy Township - Brown LSD	11.50	2.60		49.15	2.00	10.50	75.75	0.2923	0.274896
Sandy Township - Magnolia Village - Sandy Valley LSD	11.50	0.60	20.90	44.40		9.00	86.40	0.438325	0.406999
Sandy Township - Waynesburg Village - Sandy Valley LSD	11.50	0.60	15.40	44.40		12.50	84.40	0.418338	0.430639
Sugarcreek Township - Fairless LSD	11.50	7.20		43.00	2.00	3.00	66.70	0.351919	0.323605
Sugarcreek Township - Southeast LSD	11.50	7.20		44.95	4.60	3.00	71.25	0.443659	0.388679
Sugarcreek Township - Beach City Village - Fairless LSD	11.50	0.40	14.80	43.00	2.00	3.00	74.70	0.371006	0.309948
Sugarcreek Township - Brewster Village - Fairless LSD	11.50	0.40	6.80	43.00	2.00	3.90	67.60	0.338913	0.321484
Sugarcreek Township - Wilmot Village - Fairless LSD	11.50	0.40	2.80	43.00	2.00	3.00	62.70	0.328269	0.311368
Tuscarawas Township - Tuslaw LSD	11.50	6.20		58.90	2.00	3.00	81.60	0.514185	0.500842
Tuscarawas Township - Fairless LSD	11.50	6.20		43.00	2.00	3.00	65.70	0.341193	0.324376
Tuscarawas Township - Massillon CSD	11.50	6.20		46.65		3.90	68.25	0.249848	0.232069
Washington Township - Louisville CSD	11.50	5.75		59.40	2.00	2.00	80.65	0.44311	0.425775
Washington Township - Marlinton LSD	11.50	5.75		56.90		2.50	76.65	0.578928	0.522577
Washington Township - Minerva LSD	11.50	5.75		39.80	2.00	1.00	60.05	0.332686	0.312285
Washington Township - Alliance CSD	11.50	5.75		56.50		2.50	76.25	0.489698	0.470614
Alliance City - Marlinton LSD	11.50		5.00	56.90		2.50	75.90	0.57904	0.52323
Washington Township - Alliance City - Marlinton LSD	11.50	3.85	4.90	56.90		2.50	79.65	0.573298	0.516821

TAXING DISTRICT	COUNTY	TWP	MUNI	SCHOOL	VOC. SCHOOL	SPECIAL DISTRICT	TOTAL	REDUCTION FACTOR	
								RESID/AG	OTHERS
CARROLL COUNTY									
Brown Township – Osnaburg LSD	11.75	2.30		59.80		4.80	78.65	0.527188	0.492622
PORTAGE COUNTY									
Suffield Township – Lake LSD	14.12	8.25		82.30		3.40	108.07	0.557196	0.442643
SUMMIT COUNTY									
Green City – Jackson LSD	14.10		2.40	44.10		4.00	64.60	0.302612	0.273804

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- 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
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. The Library’s 2.0-mill operating levy, its only levy subject to the tax credit provisions discussed above, is reduced by reduction factors of 0.369139 for residential/agricultural property and 0.308342 for all other real property, which results in “effective tax rates” of 1.261722 mills for residential and agricultural property and 1.383316 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

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The following are the rates at which the Library levied property taxes for the general categories of purposes for recent years, all of which are outside the ten-mill limitation:

TAX TABLE B
Library Tax Rates

Collection Year	Total, All Operating
2021	2.00
2022	2.00
2023	2.00
2024	2.00
2025	2.00

The results of operating issues placed before the electors of the Library since 2008 are as follows:

TAX TABLE C
Voted Tax Issues
2008 through 2024

Election Date	Millage	Type	Result
11/04/2008	1.00	Current Expenses	Approved
11/06/2012	1.70	Current Expenses	Approved
11/06/2018	2.20	Current Expenses	Defeated
05/08/2019	2.00	Current Expenses	Approved

Collections

The following are the amounts billed and collected for Library ad valorem property taxes for recent tax collection years. “Billed” includes current charges, plus current and delinquent additions and less current and delinquent abatements. “Collected” and “% Collected” include collections of current “Billed” and current and delinquent additions.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2020	\$11,668,709	\$11,001,739	94.28%	\$666,970	\$1,072,581
2021	11,771,224	11,132,472	94.57	638,752	886,431
2022	11,960,611	11,244,510	94.01	716,101	1,450,114
2023	12,016,294	11,432,632	95.14	583,662	1,582,378
2024	12,107,864	11,522,458	95.17	585,406	1,746,837

Source: County Auditor.

Included in the “Current Billed”, “Current Collected” and “Current % Collected” figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Non-Business Credit, the Owner-Occupancy Credit and the Homestead Exemption.

The Non-Business Credit (formerly the “10% Rollback”) and the Owner-Occupancy Credit (formerly the “2.5% Rollback”) apply to all non-business properties, and reduces each property owner’s ad valorem property tax liability as to certain “qualifying levies” by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013. “Qualifying levies” include (i) levies approved at an election held before September 29, 2013, (ii) levies within the ten-mill limitation, (iii) levies provided for by the charter of a municipal corporation that were levied on the tax list for tax year 2013 and (iv) subsequent renewals and substitutes of such levies. See **Tax Rates**.

A Homestead Exemption is available for those who own and occupy a property as a primary residence as of January 1 in the year of application and (i) are 65 years of age or older, (ii) are totally or permanently disabled, (iii) are a military veteran with a 100% disability rating, (iv) already receive the Homestead Exemption, and have recently changed residence, or (v) a surviving spouse of a person who was totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouse was not younger than 59 or older than 65 years of age on the date of their deceased spouses’ death. Those qualifying for the Homestead Exemption for the first time in 2025 must have an Ohio Adjusted Gross Income of \$40,000 or less (the amount is annually adjusted for inflation). The Homestead Exemption exempts a portion (\$28,000 for tax year 2024, increased to \$56,000 for disabled veterans with a 100% disability rating or their surviving spouses, and for surviving spouses of public service officers killed in the line of duty, with each of those amounts adjusted annually for inflation) of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability.

Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credits and Homestead Exemptions granted. This State assistance reflected in the Library’s tax collections for 2024 was \$0 for the Non-Business Credit and Owner-Occupancy Credit and \$247,150 for the Homestead Exemption.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor’s office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the “delinquent land duplicate”). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor’s delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien “in the same way mortgage liens are enforced,” that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years' delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes.

The following table sets forth the total number of nonexempt parcels in the Library and the number of parcels against which foreclosures were commenced by the County for delinquent taxes.

Collection Year	Total Nonexempt Parcels	Foreclosures Commenced Against
2020	122,333	187
2021	123,318	287
2022	124,320	254
2023	123,905	178
2024	123,990	190

Source: County Auditor.

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 and which may have a materially adverse effect on the market value of the Series 2025 Notes. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Series 2025 Notes, will not have a materially adverse effect on the market value or marketability of the Series 2025 Notes. Prospective purchasers of the Series 2025 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 and Bond Counsel express no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property. The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. 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. At soonest, the proposed amendment could appear on the ballot at the November 3, 2026 election; however, there can be no assurance when or if the proposed amendment would be on the ballot.

On July 21, 2025, Governor DeWine formed, and announced the membership of, a Property Tax Reform Working Group. The Working Group, informally announced during the Governor's signing of the 2025 Budget Act and his related veto message, was tasked with examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, fire, police, EMS, libraries, and developmental disabilities is adequate. The Working Group issued its final Recommendations Report on September 30, 2025, including 20 recommendations as to proposed ad valorem property tax reforms of various types. There can be no assurance that the General Assembly will consider or enact any of the Working Group's recommendations.

LIBRARY DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt and outstanding and projected bond and note indebtedness of the Library.

As used in the discussions that follow, BANs refers to notes issued in anticipation of the issuance of general obligation Notes.

Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The Library is not, and to the knowledge of current Library officials has not ever been, in default in the payment of debt service on any securities on which the Library is obligor.

Security for General Obligation Debt

The following describes the security for the Library's general obligation debt.

Bonds and BANs

Bonds. The basic security for Library general obligation debt is the authorization by the electors for the Library to levy to pay debt service on those bonds, without limitation as to rate or amount, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the taxing authority of the Library. The tax is outside of the ten-mill limitation, and is to be in sufficient amount to pay (to the extent not paid from other sources) as it comes due the debt service on the voted bonds (subject to the provisions of bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion).

BANs. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes (the maximum maturity for special assessment BANs is five years). Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

Debt Outstanding

After issuance of the Series 2025 Notes, the Library will have no long-term debt obligations other than the Series 2018 Notes, the Series 2020 Notes, the Series 2024 Notes and the Series 2025 Notes.

Bond Anticipation Notes

The Library currently has no outstanding BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the Library, or a combination of these sources.

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the Library pays debt service, and into which moneys required to be applied to those payments are deposited. The Series 2018 Notes, the Series 2020 Notes and the Series 2024 Notes each have separate Note Retirement Funds.

Long-Term Financial Obligations Other Than the Notes

After issuance of the Series 2025 Notes, the Library will have no other material long-term financial obligations other than Series 2018 Notes, the Series 2020 Notes, the Series 2024 Notes and the Series 2025 Notes.

Future Financings

At this time the Library has no other plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional moneys or enter into long-term financial undertakings within the next two to three years.

Pension Obligations

Present and retired employees of the Library are covered under by the Ohio Public Employees Retirement System (OPERS) a statewide public employee retirement (including disability retirement) systems.

OPERS is one of several statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform measures intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The reform legislation passed with respect to OPERS provides for (i) no change in the Library contribution rates with respect to its employees' earnable salaries and (ii) no change in OPERS employee contribution rate. With certain transition provisions applicable to certain current employees, the reform legislation has, among other changes, increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions to limit future cost-of-living adjustments to the lesser of any increase in the Consumer Price Index or three percent.

For further information on this pension plan, see the Notes to the Fiscal Year 2023 Financial Statements attached as **Appendix C-1**. Financial and other information for OPERS can also be found on the website for the retirement system including its Annual Comprehensive Financial Report.

As of December 31, 2023, the Library had the net pension liability reported and explained in the Notes to the Fiscal Year 2023 Financial Statements.

In Fiscal Year 2024, Library employees covered by OPERS contributed at a statutory rate of 10.0% of earnable salary. As the employer, the Library's statutory contribution rate for those employees is 14.0% of the same base. These employee and employer contribution rates have been and are now the maximums permitted under current State law.

The Library's current employer contributions to OPERS have been treated as current expenses and included in the Library's operating expenditures. The Library is current on all payment obligations to OPERS.

Federal law requires Library employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, Library employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. OPERS is not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people early in Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the Library actively monitored its revenue collections and implemented certain mitigation and expense reduction measures. As a part of its response to the Pandemic, the federal government provided assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other legislation to assist states in addressing the adverse impacts of COVID-19.

The amounts of the reductions (and any offsets) in any local tax sources, additional grant assistance received as well as both Pandemic-related expenses and any operational cost savings experienced by the Library in Fiscal Years 2020 and 2021, are all taken into account in the information provided in this Annual Information Filing. See **Public Library Fund** and **Appendix A**.

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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 those statements have been or will be realized. Information in this Official Statement has been derived from official and other sources and is believed by the Library to be accurate and reliable. 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 that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent owners of the Series 2025 Notes or book entry interests in those Series 2025 Notes.

This Official Statement has been prepared and delivered by the Library and executed for and on behalf of the Library by the officials identified below.

STARK COUNTY DISTRICT LIBRARY, OHIO

By: _____
President, Board of Library Trustees

By: _____
Executive Director

By: _____
Fiscal Officer

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DEBT TABLE A

Projected Debt Charges Requirements on Library Special Obligation Debt(a)

Year	Series 2025 Notes(b)	Series 2024 Notes	Series 2020 Notes	Series 2018 Notes	Total
2025	\$ 0.00	\$1,263,875.00	\$344,541.26	\$302,350.00	\$1,910,766.26
2026	1,716,821.04	713,875.00	343,281.26	306,550.00	3,080,527.30
2027	1,711,425.00	714,625.00	344,881.26	305,350.00	3,076,281.26
2028	1,710,925.00	714,875.00	341,081.26	303,950.00	3,070,831.26
2029	1,714,425.00	714,625.00	342,081.26	302,350.00	3,073,481.26
2030	1,711,675.00	713,875.00	345,031.26	302,250.00	3,072,831.26
2031	1,712,925.00	717,625.00	342,681.26	305,250.00	3,078,481.26
2032	1,712,925.00	715,625.00	342,681.26	302,850.00	3,074,081.26
2033	1,711,675.00	718,125.00	342,581.26	305,250.00	3,077,631.26
2034	1,714,175.00	714,875.00	342,381.26	302,250.00	3,073,681.26
2035	1,710,175.00	716,125.00	342,081.26	304,050.00	3,072,431.26
2036	1,714,925.00	716,625.00	341,681.26	305,450.00	3,078,681.26
2037	1,712,925.00	716,375.00	341,181.26	306,450.00	3,076,931.26
2038	1,714,425.00	715,375.00	345,581.26	307,050.00	3,082,431.26
2039	1,714,175.00	713,625.00	344,781.26	302,250.00	3,074,831.26
2040	1,712,175.00	716,125.00	343,881.26	302,875.00	3,075,056.26
2041	1,713,425.00	717,625.00	342,881.26	303,125.00	3,077,056.26
2042	1,712,675.00	713,125.00	340,637.50	303,000.00	3,069,437.50
2043	1,709,925.00	712,875.00	343,275.00	306,800.00	3,072,875.00
2044	1,710,175.00	716,625.00	340,675.00	0.00	2,767,475.00
2045	1,713,175.00	714,125.00	342,956.26	0.00	2,770,256.26
2046	1,713,675.00	714,450.00	0.00	0.00	2,428,125.00
2047	1,714,075.00	713,462.50	0.00	0.00	2,427,537.50
2048	1,711,587.50	716,162.50	0.00	0.00	2,427,750.00
2049	1,711,212.50	717,287.50	0.00	0.00	2,428,500.00
2050	1,712,687.50	716,837.50	0.00	0.00	2,429,525.00
2051	1,710,750.00	716,675.00	0.00	0.00	2,427,425.00
2052	1,713,750.00	715,481.26	0.00	0.00	2,429,231.26
2053	1,713,250.00	713,256.26	0.00	0.00	2,426,506.26
2054	1,714,250.00	0.00	0.00	0.00	1,714,250.00
2055	1,711,500.00	0.00	0.00	0.00	1,711,500.00

(a) See **Security and Sources of Payment**.

(b) Assumes the Series 2025 Notes having estimated interest rates of 5.00 to 5.25%; subject to change, based on actual sale.

DEBT TABLE B

Various Overlapping GO Debt Allocations (Principal Amounts)

Subdivision	Amount(a)	Percentage Allocable to the Library(b)	Portion of Debt Borne by Properties Within the Library
Total County GO Bonds (exempt and nonexempt)	\$ 10,549,999	67.58%	\$ 7,129,689
All school districts wholly within the Library	201,524,547	100.00	201,524,547
Portage County	8,622,195	0.05	4,311
Summit County	65,905,000	0.08	52,724
Carroll County	1,232,000	0.04	493
Canton City	15,445,386	99.98	15,442,297
Green City	25,675,000	1.25	320,938
North Canton City	3,613,000	15.79	570,493
Fairless LSD	5,905,000	78.38	4,628,339
Tuslaw LSD	4,797,000	99.22	4,759,583
Wayne Public Library District	430,000	7.78	33,454

(a) GO debt of the County and GO debt for all other political subdivisions as of October 23, 2025.

(b) Determined by dividing the amount of the tax valuation of the territory of the subdivision that is within the Library by the total tax valuation of that subdivision.

Source of tax valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC.*

* Ohio Municipal Advisory Council (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 guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

	Amount	Per Capita(a)	% of Library's Current Assessed Valuation(b)
Total Debt Borne By Properties within the Library	\$343,699,127	\$1,424.03	3.80%

(a) Based on 2023 population of 241,356.

(b) Based on the current assessed valuation of \$9,055,802,330.

APPENDIX A

Comparative Cash Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2020 through 2024 and Estimated Fiscal Year 2025^(a)

	2020	2021	2022	2023	2024	Estimated 2025
RECEIPTS						
Public Library Fund(b)	\$ 7,093,876	\$ 7,769,739	\$ 8,446,461	\$ 8,589,367	\$ 7,641,256	\$ 7,612,882
Taxes(c)	11,439,622	11,562,545	11,698,093	11,775,890	11,842,651	11,857,864
Patron Fines and Fees	82,385	84,306	174,136	247,603	307,540	375,000
Contributions, Gifts and Donations	11,584	49,258	5,652	459,151(e)	202,745	105,000
Earnings on Investments	14,385	2,257	69,304	322,445	442,972	433,965
Miscellaneous Receipts	342,209	80,127	59,126	32,797	111,987	43,658
Total Receipts	\$18,984,061	\$19,548,232	\$20,452,772	\$21,427,253	\$20,549,151	20,428,369
DISBURSEMENTS						
Salaries & Benefits	\$ 8,081,489	\$ 8,402,055	\$ 9,208,197	\$ 9,889,052	\$10,691,011	11,564,299
Supplies	303,687	356,183	300,206	532,440	413,704	365,910
Purchased & Contracted Services	1,920,320	2,731,002	2,617,583	3,686,086	3,374,847	3,097,342
Library Materials & Information	2,216,241	2,493,728	2,585,926	2,708,528	2,213,287	2,299,040
Capital Outlay	107,487	104,015	206,917	228,155	57,918	55,000
Other Objects	33,011	35,745	68,868	62,689	51,277	60,025
Total Disbursements	\$12,662,235	\$14,122,728	\$14,987,697	\$17,106,950	\$16,802,044	17,441,616
Excess/(Deficiency) of Receipts over Disbursements	\$ 6,321,826	\$ 5,425,504	\$ 5,465,075	\$ 4,320,303	\$ 3,747,107	2,986,753
OTHER FINANCING SOURCES/(USES)						
Operating Transfers-Out	\$ 0	\$(7,595,000)(d)	\$(2,000,000)(d)	\$(7,000,000)(d)	\$ 0	\$(12,000,000)(d)
Total Other Financing Sources/(Uses)	\$ 0	\$(7,595,000)(d)	\$(2,000,000)(d)	\$(7,000,000)(d)	\$ 0	\$(12,000,000)(d)
Excess/(Deficiency) of Receipts & Other	\$ 6,321,826	\$(2,169,496)	\$ 3,465,075	\$(2,679,697)	\$ 3,747,107	\$ (9,013,247)
BEGINNING CASH BALANCE	\$ 4,675,756	\$10,997,582	\$ 8,828,086	\$12,293,161	\$ 9,613,464	\$13,360,571
ENDING CASH BALANCE	\$10,997,582	\$ 8,828,086	\$12,293,161	\$ 9,613,464	\$13,360,571	\$ 4,347,324

(a) See COVID-19 Pandemic.

(b) See Public Library Fund.

(c) See Ad Valorem Property Taxes.

(d) Reflects transfers to capital funds. See also Appendix B.

(e) Reflects a matching grant from the Ohio Department of Education and Workforce. See COVID-19 Pandemic.

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APPENDIX B

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2023(a)

DESCRIPTION	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	INTER-FUND TRANSFERS	ENDING BALANCE
General Fund	\$12,293,161	\$21,427,253	\$17,106,950	\$(7,000,000)(b)	\$ 9,613,464
Hoover Foundation Fund	38,259	0	6,049	0	32,210
Early Childhood Resource Center Fund	212	0	0	0	212
Ireland, My Ireland Fund	181	0	0	0	181
Nan Johnston Fund	1,954	0	0	0	1954
Russ Humerickhouse Sports Fund	233	0	0	0	233
Sisters of Charity Fund	4,857	25,760	25,750	0	4,867
SCDL Foundation Fund	610	0	0	0	610
Imagination Library Fund	156,844	172,235	123,137	0	205,942
Efremoff Memorial Fund	21,675	0	0	0	21,675
ARPA Grant Fund	1,511	0	0	0	1,511
Bond Retirement Fund	2,511,232	90,309	6,020	500,000	3,095,521
Debt Service Fund – Jackson	25,717	303,317	303,350	0	25,684
Debt Service Fund – Reimagine	77,407	341,833	341,493	0	77,747
Capital Projects Fund	4,564,620	265,756	753,243	4,000,000(b)	8,077,133
Capital Campaign Fund	1,403,024	32,569	1,118,167	0	317,426
Capital Fund – Sandy Valley	2,867	0	0	0	2,867
Capital Fund – Jackson	175,289	9,495	0	0	184,784
Capital Fund – Main Library	4,017,969	167,839	477,762	2,500,000(b)	6,208,046
Madge Youtz Fund	22,635	1,314	0	0	23,949
Wise Fund	11,966	975	0	0	12,941
TOTAL	\$25,332,223	\$22,838,654	\$20,261,921	\$ 0	\$27,908,957

(a) Numbers may not foot due to rounding.

(b) See **The Library – Library System – The Project** and **Appendix A**.

**Financial Report (Cash Basis All-Funds Summary) for
Fiscal Year 2024(a)**

DESCRIPTION	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	INTER-FUND TRANSFERS	ENDING BALANCE
General Fund	\$ 9,613,464	\$20,549,151	\$16,802,044	\$0	\$13,360,571
Hoover Foundation Fund	32,210	0	0	0	32,210
Early Childhood Resource Center Fund	212	0	0	0	212
Ireland, My Ireland Fund	181	0	0	0	181
Nan Johnston Fund	1954	0	0	0	1954
Russ Humerickhouse Sports Fund	233	0	0	0	233
Sisters of Charity Fund	4,867	33,260	21,073	0	17,054
SCDL Foundation Fund	610	0	0	0	610
Imagination Library Fund	205,942	93,265	164,083	0	135,124
Efremoff Memorial Fund	21,675	0	0	0	21,675
ARPA Grant Fund	1,511	0	0	0	1,511
Bond Retirement Fund	3,095,521	144,619	6,337	0	3,233,803
Debt Service Fund – Jackson	25,684	302,900	302,950	0	25,634
Debt Service Fund – Reimagine	77,747	345,485	345,570	0	77,662
Debt Service Fund – Ops Center	0	1,342,207	734,548	0	607,659
Capital Projects Fund	8,077,133	12,543,195	4,961,672	0	15,658,656
Capital Campaign Fund	317,426	3,185	320,611	0	0
Capital Fund – Sandy Valley	2,867	0	2,867	0	0
Capital Fund – Jackson	184,784	1,678	186,462	0	0
Capital Fund – Main Library	6,208,046	403,896	2,039,456	0	4,572,486
Madge Youtz Fund	23,949	1,434	0	0	25,383
Wise Fund	12,941	1,089	0	0	14,030
TOTAL	\$27,908,957	\$35,765,364	\$25,887,673	\$0	\$37,786,648

(a) Numbers may not foot due to rounding.

APPENDIX C-1

**Library Basic Financial Statements for Fiscal Year 2023
(Audited)**

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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

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Stark County District Library, Stark County, Ohio (Library), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Stark County District Library, Stark County, Ohio, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3B to the financial statements, during 2023, the Library changed their financial presentation from an Other Comprehensive Basis of Accounting (OCBOA) basis to a Generally Accepted Accounting Principles (GAAP) basis. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2025

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

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 28,469,436
Receivables:	
Property taxes	13,546,677
Intergovernmental	4,527,689
Accrued interest	133,016
Materials and supplies inventory	24,903
Prepayments	15,172
Net pension asset	174,436
Capital assets:	
Nondepreciable capital assets	521,500
Depreciable capital assets, net	<u>8,032,760</u>
Total capital assets, net	<u>8,554,260</u>
Total assets	<u>55,445,589</u>
Deferred outflows of resources:	
Pension	5,247,058
OPEB	<u>745,264</u>
Total deferred outflows of resources	<u>5,992,322</u>
Liabilities:	
Accounts payable	414,133
Accrued wages and benefits payable	441,803
Intergovernmental payable	47,265
Accrued interest payable	38,928
Unearned revenue	1,511
Accrued vacation and comp leave payable	881,387
Long-term liabilities:	
Due within one year	618,267
Due greater than one year:	
Net pension liability	11,482,806
Net OPEB liability	247,781
Other amounts due in more than one year	<u>10,567,726</u>
Total liabilities	<u>24,741,607</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	11,964,299
Pension	24,932
OPEB	<u>88,038</u>
Total deferred inflows of resources	<u>12,077,269</u>
Net position:	
Net investment in capital assets	(2,433,192)
Restricted for:	
Debt service	315,554
Capital projects	320,293
Library programs	265,516
Library materials	37,304
Pension	174,436
Unrestricted	<u>25,939,124</u>
Total net position	<u><u>\$ 24,619,035</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Library services:				
Public services and programs	\$ 8,709,815	\$ 247,603	\$ 25,760	\$ (8,436,452)
Collection development and processing	3,929,228	-	-	(3,929,228)
Support services:				
Facilities operation and maintenance	342,192	-	-	(342,192)
Information services	993,816	-	172,234	(821,582)
Business administration	6,298,465	-	-	(6,298,465)
Interest and fiscal charges	333,402	-	-	(333,402)
Total governmental activities	<u>\$ 20,606,918</u>	<u>\$ 247,603</u>	<u>\$ 197,994</u>	<u>(20,161,321)</u>
General revenues:				
Property taxes levied for:				
General purposes				11,908,154
Public library fund				9,176,665
Grants and entitlements not restricted to specific programs				425,315
Earnings on investments				1,299,670
Miscellaneous				<u>70,200</u>
Total general revenues				<u>22,880,004</u>
Change in net position				2,718,683
Net position at beginning of year (restated)				<u>21,900,352</u>
Net position at end of year				<u><u>\$ 24,619,035</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Capital Projects	Capital Fund - Main Library	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 9,837,467	\$ 8,233,500	\$ 6,328,229	\$ 4,070,240	\$ 28,469,436
Receivables:					
Property taxes	13,546,677	-	-	-	13,546,677
Intergovernmental	4,203,496	-	-	324,193	4,527,689
Accrued interest	47,371	39,801	30,591	15,253	133,016
Materials and supplies inventory	24,903	-	-	-	24,903
Prepayments	15,172	-	-	-	15,172
Total assets	<u>\$ 27,675,086</u>	<u>\$ 8,273,301</u>	<u>\$ 6,358,820</u>	<u>\$ 4,409,686</u>	<u>\$ 46,716,893</u>
Liabilities:					
Accounts payable	\$ 175,262	\$ 51,096	\$ 187,775	\$ -	\$ 414,133
Accrued wages and benefits payable	441,803	-	-	-	441,803
Intergovernmental payable	47,265	-	-	-	47,265
Unearned revenue	-	-	-	1,511	1,511
Total liabilities	<u>664,330</u>	<u>51,096</u>	<u>187,775</u>	<u>1,511</u>	<u>904,712</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	11,964,299	-	-	-	11,964,299
Delinquent property tax revenue not available	1,582,378	-	-	-	1,582,378
Accrued interest not available	29,444	24,740	19,015	9,481	82,680
Intergovernmental revenue not available	2,863,999	-	-	216,105	3,080,104
Total deferred inflows of resources	<u>16,440,120</u>	<u>24,740</u>	<u>19,015</u>	<u>225,586</u>	<u>16,709,461</u>
Fund balances:					
Nonspendable	40,075	-	-	-	40,075
Restricted	-	-	-	834,632	834,632
Committed	-	-	6,152,030	186,737	6,338,767
Assigned	353,077	8,197,465	-	3,161,220	11,711,762
Unassigned	10,177,484	-	-	-	10,177,484
Total fund balances	<u>10,570,636</u>	<u>8,197,465</u>	<u>6,152,030</u>	<u>4,182,589</u>	<u>29,102,720</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,675,086</u>	<u>\$ 8,273,301</u>	<u>\$ 6,358,820</u>	<u>\$ 4,409,686</u>	<u>\$ 46,716,893</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances		\$ 29,102,720
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,554,260
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,582,378	
Intergovernmental receivable	3,080,104	
Accrued interest receivable	82,680	
Total		4,745,162
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(38,928)
The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Net pension asset	174,436	
Deferred outflows - pension	5,247,058	
Deferred outflows - OPEB	745,264	
Net pension liability	(11,482,806)	
Net OPEB liability	(247,781)	
Deferred inflows - pension	(24,932)	
Deferred inflows - OPEB	(88,038)	
Total		(5,676,799)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(198,541)	
Accrued vacation and comp payable	(881,387)	
Leases payable	(707,452)	
SBITAs payable	(225,000)	
Notes payable	(10,055,000)	
Total		(12,067,380)
Net position of governmental activities		\$ 24,619,035

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Capital Fund - Main Library	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 11,775,890	\$ -	\$ -	\$ -	\$ 11,775,890
Public library fund	8,434,279	-	-	645,765	9,080,044
Intergovernmental	421,748	-	-	-	421,748
Patron fines and fees	247,603	-	-	-	247,603
Contributions, gifts and donations	37,403	-	-	186,904	224,307
Earnings on investments	421,672	398,329	265,396	178,984	1,264,381
Miscellaneous	32,797	-	-	11,090	43,887
Total revenues	<u>21,371,392</u>	<u>398,329</u>	<u>265,396</u>	<u>1,022,743</u>	<u>23,057,860</u>
Expenditures:					
Current:					
Library services:					
Public services and programs	6,899,759	331,873	-	31,799	7,263,431
Collection development and processing	3,900,379	-	-	-	3,900,379
Support services:					
Facilities operation and maintenance	325,640	-	-	-	325,640
Information services	848,923	-	-	-	848,923
Business administration	4,912,646	22,885	665,537	144,242	5,745,310
Capital outlay	1,172,869	437,829	-	878,778	2,489,476
Debt service:					
Principal retirement	274,376	-	-	340,000	614,376
Interest and fiscal charges	15,721	-	-	304,844	320,565
Total expenditures	<u>18,350,313</u>	<u>792,587</u>	<u>665,537</u>	<u>1,699,663</u>	<u>21,508,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,021,079</u>	<u>(394,258)</u>	<u>(400,141)</u>	<u>(676,920)</u>	<u>1,549,760</u>
Other financing sources (uses):					
Transfers in	-	4,000,000	2,500,000	500,000	7,000,000
Transfers (out)	(7,000,000)	-	-	-	(7,000,000)
Lease transaction	595,457	-	-	-	595,457
SBITA transaction	346,205	-	-	-	346,205
Total other financing sources (uses)	<u>(6,058,338)</u>	<u>4,000,000</u>	<u>2,500,000</u>	<u>500,000</u>	<u>941,662</u>
Net change in fund balances	(3,037,259)	3,605,742	2,099,859	(176,920)	2,491,422
Fund balance at beginning of year (restated)	<u>13,607,895</u>	<u>4,591,723</u>	<u>4,052,171</u>	<u>4,359,509</u>	<u>26,611,298</u>
Fund balance at end of year	<u>\$ 10,570,636</u>	<u>\$ 8,197,465</u>	<u>\$ 6,152,030</u>	<u>\$ 4,182,589</u>	<u>\$ 29,102,720</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	\$	2,491,422
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*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which capital
outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 1,724,897	
Current year depreciation	(977,290)	
Total		747,607

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

Property and other local taxes	132,264	
Public library fund	96,621	
Earnings on investments	35,289	
Intergovernmental	3,567	
Total		267,741

Proceeds of leases and SBITAs are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.	(941,662)
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Repayment of notes, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	614,376
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In the statement of activities, interest is accrued on outstanding notes whereas in governmental funds, an interest expenditure is reported when due.	(12,837)
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Contractually required pension contributions are reported as expenditures in
governmental funds; however, the statement of net position reports these amounts
as deferred outflows.

Pension	1,141,028
OPEB	6,503

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

Pension	(1,914,473)
OPEB	428,825

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

	(109,847)
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Change in net position of governmental activities	\$	2,718,683
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 - DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

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

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

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

Reporting Entity

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The following category is used by the Library:

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

General Fund is used to account for the general operating revenues and disbursements of the Library not specifically required to be recorded elsewhere. The primary revenue sources include Public Library Fund, levy receipts, earnings on investments and intergovernmental revenues. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Capital Fund - Main Library is used to account for money that is committed to be used on renovations and improvements on the Main Library.

The other governmental funds of the Library are (a) used to account for and report the proceeds of specific revenue sources that are restricted or omitted to expenditures for specific purposes other than debt service or capital projects, (b) used to account for and report financial resources that are restricted to expenditure for principal and interest and (c) used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

C. Measurement Focus

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

D. Basis of Accounting

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

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

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

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

E. Budgetary Process

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources.

F. Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents." Investments with an original maturity of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. The Library followed Ohio statutes for the allocation of interest earnings among the Library's funds. Interest revenue credited to the General Fund for 2023 was \$421,672.

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

G. Inventory

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

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

H. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

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

I. Capital Assets

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

J. Compensated Absences

Compensated absences of the Library consist of vacation leave, comp time and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Library and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave and comp time is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at December 31, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

Compensated absences are only reported in the governmental fund financial statements if they have matured. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid, which is primarily the general fund. The Library had no matured compensated absences payable at December 31, 2023. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints are imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Net Position

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

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

N. Interfund Activity

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

O. Estimates

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

P. Pensions/Other Postemployment Benefits (OPEB)

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

Q. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the Library has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Library.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the Library's 2023 financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

B. Restatement of Fund Balances/Net Position

For the year ended December 31, 2023, the Library has presented for the first time its basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). In conjunction with this presentation, the Library has (1) converted its governmental funds to the modified accrual basis of accounting and (2) converted its governmental activities to the accrual basis of accounting.

Modified Accrual Basis Adjustments – the conversion of the governmental funds from the cash-basis of accounting to the modified accrual basis of accounting required certain adjustments to be recorded at December 31, 2023 to the fund cash balances as previously reported to reflect the prior year’s effect of adopting these new accounting principles.

The restatement to the December 31, 2022 fund cash balances for the governmental funds follows:

	General	Capital Projects	Capital Fund - Main Library	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 12,293,161	\$ 4,564,620	\$ 4,017,969	\$ 4,456,473	\$ 25,332,223
Modified Accrual Basis Adjustments	<u>1,314,734</u>	<u>27,103</u>	<u>34,202</u>	<u>(96,964)</u>	<u>1,279,075</u>
Restated Fund Balance, at December 31, 2022	<u><u>\$ 13,607,895</u></u>	<u><u>\$ 4,591,723</u></u>	<u><u>\$ 4,052,171</u></u>	<u><u>\$ 4,359,509</u></u>	<u><u>\$ 26,611,298</u></u>

Under GAAP, the Library’s government-wide financial statements are prepared on the accrual basis of accounting. The government-wide financial statements show the Library’s programs for governmental activities. The conversion of the governmental activities from the cash-basis of accounting to the accrual basis of accounting required certain adjustments to be recorded at December 31, 2022 to the net cash position as previously reported to reflect the prior year’s effect of adopting these new accounting principles.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The restatement to the December 31, 2022 net cash position for the governmental activities follows:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 25,332,223
Modified accrual basis adjustments	1,279,075
Accrual basis adjustments:	
Assets	13,785,380
Deferred outflows	1,626,898
Liabilities	(14,884,536)
Deferred inflows	<u>(5,238,688)</u>
Net reporting basis adjustments	<u>(3,431,871)</u>
Restated net position at December 31, 2022	<u><u>\$ 21,900,352</u></u>

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Library into three categories: Active monies are public monies necessary to meet current demands on the Library treasury. Such monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Fiscal Officer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements are met;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, in an amount not to exceed forty (40) percent of the interim monies available for investment at any one time if training requirements have been met;
8. Written repurchase agreements in the securities described above in (1) or (2) provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days; and,
9. Star Ohio Plus-Bank Deposit Program for Public Fund Managers (FDIC insured).

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, the carrying amount of the Library's deposits was \$1,460,235 and the bank balance was \$1,765,395. Of the bank balance, \$500,000 was covered by federal depository insurance, \$945,002 was covered by collateral held through OPCS, and \$320,393 was not insured or collateralized.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be one hundred two percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the Library's financial institution was approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

Investments

As of December 31, 2023, the Library had the following investments:

<u>Measurement/Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
Commercial paper	\$ 2,481,035	\$ 2,481,035	\$ -	\$ -	\$ -	\$ -
FAMC	223,084	-	96,646	-	-	126,438
FFCB	2,963,187	-	100,543	767,439	261,583	1,833,622
FHLB	4,429,916	419,444	1,241,979	754,315	378,702	1,635,476
FHLB DN	146,781	146,781	-	-	-	-
FHLMC	187,946	-	-	-	187,946	-
FNMA	792,260	-	194,720	-	358,662	238,878
Negotiable CDs	1,610,472	-	246,615	-	723,929	639,928
TVA	94,849	-	-	94,849	-	-
U.S. Treasury notes	8,428,885	1,881,059	666,642	1,107,470	637,765	4,135,949
U.S. Government money market	440,726	440,726	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	5,209,070	5,209,070	-	-	-	-
Total	\$ 27,008,211	\$ 10,578,115	\$ 2,547,145	\$ 2,724,073	\$ 2,548,587	\$ 8,610,291

The weighted average of maturity of investments is 1.50 years.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The Library's investment policy requires diversification of the portfolio but only states that the investments should be distributed as evenly as possible among the various instruments and institutions. The following is the Library's allocation as of December 31, 2023:

<u>Measurement/Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commerical paper	\$ 2,481,035	9.19
FAMC	223,084	0.83
FFCB	2,963,187	10.97
FHLB	4,429,916	16.40
FHLB DN	146,781	0.54
FHLMC	187,946	0.70
FNMA	792,260	2.93
Negotiable CDs	1,610,472	5.96
TVA	94,849	0.35
U.S. Treasury notes	8,428,885	31.21
U.S. Government money market	440,726	1.63
<i>Amortized cost:</i>		
STAR Ohio	<u>5,209,070</u>	<u>19.29</u>
Total	<u>\$ 27,008,211</u>	<u>100.00</u>

Reconciliation of Cash and Investments to the Statement of Net Position The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2023:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 1,460,235
Investments	27,008,211
Cash on hand	<u>990</u>
Total	<u>\$ 28,469,436</u>

<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	28,469,436

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 - GRANTS IN AID AND PROPERTY TAXES

Grants in Aid

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

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

Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

The Stark County Budget Commission allocates these funds to the Library based on formula which incorporates square footage, full-time equivalent employees, circulation, service area population, number of cardholders, door count, website visits, expenditures for library materials and expenditures on technology. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives. During 2023, the Library received \$9,080,044 or 39.38% of the Library's annual revenue from this funding source.

Property Taxes

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Library receives property taxes from Stark County. The County Auditors periodically remit to the Library its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2023 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all Library operations for the year ended December 31, 2023 was \$2.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax revenues were based are as follows:

Real Property	\$ 6,142,778,120
Public Utility Personal Property	<u>722,522,730</u>
Total Assessed Value	<u>\$ 6,865,300,850</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - RECEIVABLES

Receivables at December 31, 2023, consisted primarily of property taxes, accrued interest and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables are expected to be collected within the subsequent year.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Restated Balance 01/01/23	Additions	Deductions	Balance 12/31/23
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated/amortized</i>				
Land	\$ 521,500	\$ -	\$ -	\$ 521,500
Construction in progress	403,285	429,298	(832,583)	-
Total capital assets, not being depreciated/amortized	<u>924,785</u>	<u>429,298</u>	<u>(832,583)</u>	<u>521,500</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	748,802	8,165	-	756,967
Buildings and improvements	15,133,434	-	-	15,133,434
Leaseholder improvements	-	832,583	-	832,583
Furniture and equipment	4,517,563	323,349	-	4,840,912
Vehicles	1,373,164	-	-	1,373,164
Intangible right to use:				
Equipment	185,825	-	-	185,825
Buildings	214,199	595,457	(96,155)	713,501
SBITAs	-	368,628	-	368,628
Total capital assets, being depreciated/amortized	<u>22,172,987</u>	<u>2,128,182</u>	<u>(96,155)</u>	<u>24,205,014</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(441,565)	(24,911)	-	(466,476)
Buildings and improvements	(11,379,226)	(156,069)	-	(11,535,295)
Leaseholder improvements	-	(69,382)	-	(69,382)
Furniture and equipment	(2,383,760)	(340,241)	-	(2,724,001)
Vehicles	(943,781)	(99,778)	-	(1,043,559)
Intangible right to use:				
Equipment	(71,341)	(74,579)	-	(145,920)
Buildings	(71,446)	(85,296)	96,155	(60,587)
SBITAs	-	(127,034)	-	(127,034)
Total accumulated depreciation/amortization	<u>(15,291,119)</u>	<u>(977,290)</u>	<u>96,155</u>	<u>(16,172,254)</u>
Total capital assets, being depreciated/amortized, net	<u>6,881,868</u>	<u>1,150,892</u>	<u>-</u>	<u>8,032,760</u>
Governmental activities capital assets, net	<u>\$ 7,806,653</u>	<u>\$ 1,580,190</u>	<u>\$ (832,583)</u>	<u>\$ 8,554,260</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Library services:	
Public services and programs	\$ 620,371
Collection development and processing	22,260
Support services:	
Facilities operation and maintenance	2,035
Information services	133,719
Business administration	<u>198,905</u>
Total depreciation/amortization expense	<u>\$ 977,290</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Restated Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2023</u>	Amount Due in <u>One Year</u>
Compensated Absences	\$ 182,535	\$ 16,006	\$ -	\$ 198,541	\$ 19,854
Net Pension Liability	3,228,198	8,254,608	-	11,482,806	-
Net OPEB Liability	-	247,781	-	247,781	-
Leases Payable	265,166	595,457	(153,171)	707,452	138,719
SBITAs Payable	-	346,205	(121,205)	225,000	109,694
Library Facilities					
Notes - Series 2018	4,300,000	-	(135,000)	4,165,000	140,000
Library Facilities					
Notes - Series 2020	<u>6,095,000</u>	<u>-</u>	<u>(205,000)</u>	<u>5,890,000</u>	<u>210,000</u>
Total long-term obligations	<u>\$ 14,070,899</u>	<u>\$ 9,460,057</u>	<u>\$ (614,376)</u>	<u>\$ 22,916,580</u>	<u>\$ 618,267</u>

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid, which is the general fund.

Net Pension Liability and Net OPEB Liability:

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

Lease Payable

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier	2022	3	2024	Monthly
Postage machine	2022	5	2026	Quarterly
Greater East Canton Community Building Lease	2020	10	2030	Monthly
Lake Local School BOE Building Lease	2018	6	2023	Monthly
2023 Lake Local School BOE Building Lease	2023	6	2029	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 138,719	\$ 31,783	\$ 170,502
2025	109,083	25,989	135,072
2026	115,143	20,361	135,504
2027	118,057	14,543	132,600
2028	124,097	8,503	132,600
2029 - 2033	102,353	2,566	104,919
Total	<u>\$ 707,452</u>	<u>\$ 103,745</u>	<u>\$ 811,197</u>

SBITA Payable

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

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 109,694	\$ 11,511	\$ 121,205
2025	115,306	5,899	121,205
Total	<u>\$ 225,000</u>	<u>\$ 17,410</u>	<u>\$ 242,410</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Library Facilities Notes - Series 2018

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

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

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

Year Ending December 31,	<u>Library Facilities Notes - Series 2018</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,000	\$ 162,950	\$ 302,950
2025	145,000	157,350	302,350
2026	155,000	151,550	306,550
2027	160,000	145,350	305,350
2028	165,000	138,950	303,950
2029 - 2033	920,000	597,950	1,517,950
2034 - 2038	1,125,000	400,250	1,525,250
2039 - 2043	<u>1,355,000</u>	<u>163,050</u>	<u>1,518,050</u>
Total	<u>\$ 4,165,000</u>	<u>\$ 1,917,400</u>	<u>\$ 6,082,400</u>

Library Facilities Notes - Series 2020

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

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

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

Year Ending December 31,	<u>Library Facilities Notes - Series 2020</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 210,000	\$ 135,570	\$ 345,570
2025	210,000	134,542	344,542
2026	210,000	133,282	343,282
2027	220,000	124,882	344,882
2028	225,000	116,082	341,082
2029 - 2033	1,245,000	470,060	1,715,060
2034 - 2038	1,380,000	332,910	1,712,910
2039 - 2043	1,530,000	185,460	1,715,460
2044 - 2045	<u>660,000</u>	<u>23,632</u>	<u>683,632</u>
Total	<u>\$ 5,890,000</u>	<u>\$ 1,656,420</u>	<u>\$ 7,546,420</u>

**STARK COUNTY DISTRICT LIBRARY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2023, the Library obtained commercial insurance. Property insurance was for \$44,914,505 with a \$2,500 deductible. Valuable papers and records were for \$18,494,025 with a \$1,000 deductible. General liability for each occurrence is \$1,000,000 with an aggregate of \$2,000,000 limit and excess liability insurance with a \$5,000,000 limit. Automobile liability has a \$1,000,000 combined single limit of liability with a collision deductible of \$1,000 and a comprehensive deductible of \$1,000. Nonprofit Organization Directors and Officers Liability insurance was \$10,000,000 with a \$10,000 deductible.

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Asset and Net OPEB Liability

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

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

**STARK COUNTY DISTRICT LIBRARY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>State and Local</u>	
	<u>Traditional</u>	<u>Combined</u>
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	<u>0.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>

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

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

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

The Library's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,141,028 for 2023. Of this amount, \$40,703 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability or asset was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	Total
Proportion of the net pension liability/asset prior measurement date	0.03710400%	0.08009200%	
Proportion of the net pension liability/asset current measurement date	<u>0.03887200%</u>	<u>0.07401100%</u>	
Change in proportionate share	<u>0.00176800%</u>	<u>-0.00608100%</u>	
Proportionate share of the net pension liability	\$ 11,482,806	\$ -	\$ 11,482,806
Proportionate share of the net pension asset	-	(174,436)	(174,436)
Pension expense	1,892,108	22,365	1,914,473

At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 381,411	\$ 10,725	\$ 392,136
Net difference between projected and actual earnings on pension plan investments	3,272,959	63,572	3,336,531
Changes of assumptions	121,307	11,547	132,854
Changes in employer's proportionate percentage/ difference between employer contributions	244,509	-	244,509
Contributions subsequent to the measurement date	1,102,011	39,017	1,141,028
Total deferred outflows of resources	<u>\$ 5,122,197</u>	<u>\$ 124,861</u>	<u>\$ 5,247,058</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

	OPERS - Traditional	OPERS - Combined	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 24,932	\$ 24,932
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 24,932</u>	<u>\$ 24,932</u>

\$1,141,028 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

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

	OPERS - Traditional	OPERS - Combined	Total
Year Ending December 31:			
2024	\$ 620,265	\$ 2,579	\$ 622,844
2025	833,204	11,693	844,897
2026	963,391	16,221	979,612
2027	1,603,326	27,366	1,630,692
2028	-	(71)	(71)
Thereafter	-	3,124	3,124
Total	<u>\$ 4,020,186</u>	<u>\$ 60,912</u>	<u>\$ 4,081,098</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Library's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 17,200,860	\$ 11,482,806	\$ 6,726,411
Combined Plan	(91,034)	(174,436)	(240,536)
Member-Directed Plan	-	-	-

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled 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 selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to a Connector arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

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:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

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

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

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. 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 2023, 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 2.00% 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 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$6,503 for 2023. Of this amount, \$232 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Library's proportion of the net OPEB liability was based on the Library's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	<u>OPERS</u>
Proportion of the net OPEB liability/asset prior measurement date	0.03785700%
Proportion of the net OPEB liability current measurement date	<u>0.03929800%</u>
Change in proportionate share	<u><u>0.00144100%</u></u>
Proportionate share of the net OPEB liability	\$ 247,781
OPEB expense	(428,825)

At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 492,105
Changes of assumptions	242,014
Changes in employer's proportionate percentage/ difference between employer contributions	4,642
Contributions subsequent to the measurement date	6,503
Total deferred outflows of resources	<u><u>\$ 745,264</u></u>

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>
Deferred inflows of resources	
Differences between expected and actual experience	\$ 61,807
Changes of assumptions	19,913
Changes in employer's proportionate percentage/ difference between employer contributions	6,318
Total deferred inflows of resources	<u><u>\$ 88,038</u></u>

\$6,503 reported as deferred outflows of resources related to OPEB resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

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

	<u>OPERS</u>
Year Ending December 31:	
2024	\$ 81,957
2025	177,584
2026	153,455
2027	<u>237,727</u>
Total	<u><u>\$ 650,723</u></u>

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Library's proportionate share of the net OPEB liability/(asset)	\$ 843,335	\$ 247,781	\$ (243,648)

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Care Trend Rate Assumption	1% Increase
Library's proportionate share of the net OPEB liability	\$ 232,251	\$ 247,781	\$ 265,262

NOTE 12 - CONTINGENCIES

A. Grants

The Library receives significant financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the Library at December 31, 2023.

B. Litigation

The Library is not a party to legal proceedings.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 353,077
Capital projects	524,624
Capital fund - Main Library	<u>336,212</u>
Total	<u>\$ 1,213,913</u>

NOTE 14 - FUND BALANCES

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

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Capital Fund - Main Library</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable for					
Materials and supplies	\$ 24,903	\$ -	\$ -	\$ -	\$ 24,903
Prepayments	15,172	-	-	-	15,172
<i>Total Nonspendable</i>	<u>40,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,075</u>
Restricted for					
Library programs	-	-	-	265,516	265,516
Library materials	-	-	-	37,304	37,304
Debt service	-	-	-	211,519	211,519
Capital improvements	-	-	-	320,293	320,293
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,632</u>	<u>834,632</u>
Committed to					
Library materials	-	-	-	1,954	1,954
Capital improvements	-	-	6,152,030	184,783	6,336,813
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>6,152,030</u>	<u>186,737</u>	<u>6,338,767</u>
Assigned to					
Capital improvements	-	8,197,465	-	-	8,197,465
Debt service	-	-	-	3,161,220	3,161,220
Encumbrance	353,077	-	-	-	353,077
<i>Total Assigned</i>	<u>353,077</u>	<u>8,197,465</u>	<u>-</u>	<u>3,161,220</u>	<u>11,711,762</u>
Unassigned	<u>10,177,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,177,484</u>
<i>Total Fund Balances</i>	<u>\$ 10,570,636</u>	<u>\$ 8,197,465</u>	<u>\$ 6,152,030</u>	<u>\$ 4,182,589</u>	<u>\$ 29,102,720</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 15 - INTERFUND TRANSACTIONS

Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported in the fund financial statements:

<u>Transfers from</u>	<u>Transfers to</u>			<u>Total</u>
	<u>Capital Projects</u>	<u>Capital Fund - Main Library</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 4,000,000	\$ 2,500,000	\$ 500,000	\$ 7,000,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide financial statements.

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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information the Stark County District Library, Stark County, Ohio (the Library) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated January 31, 2025, wherein we noted the Library changed their financial presentation from an Other Comprehensive Basis of Accounting (OCBOA) basis to a Generally Accepted Accounting Principles (GAAP) basis.

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
Auditor of State
Columbus, Ohio

January 31, 2025

APPENDIX C-2

**Library Basic Financial Statements for Fiscal Year 2024
(Unaudited)**

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

STATEMENT OF NET POSITION
DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds \$ 9,617,573

*Amounts reported for governmental activities in the
statement of activities are different because:*

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

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

The net effect of various miscellaneous transactions involving
capital assets (i.e., sales, disposals, trade-ins, and donations) is to
decrease net position. (1,279)

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

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

Proceeds of notes, leases and SBITAs are reported as an
other financing source in the governmental funds, however, in the
statement of activities, they are not reported as revenues as they
increase the liabilities on the statement of net position. (13,551,942)

Repayment of notes, lease and SBITA principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities on the statement of net position. 1,025,423

Premiums and discounts on notes are recognized as other
financing sources (uses) in the governmental funds, however, they
are amortized over the life of the issuance in the statement
of activities. (882,551)

In the statement of activities, interest is accrued on outstanding
notes whereas in governmental funds, an interest
expenditure is reported when due. (46,829)

Contractually required pension contributions are reported as expenditures in
governmental funds; however, the statement of net position reports these amounts
as deferred outflows.

Pension		1,070,573	
OPEB		5,844	

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

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

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

140,777

Change in net position of governmental activities \$ 3,181,353

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

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

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

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

Reporting Entity

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government.

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

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

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STARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The following category is used by the Library:

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

General Fund is used to account for the general operating revenues and disbursements of the Library not specifically required to be recorded elsewhere. The primary revenue sources include Public Library Fund, levy receipts, earnings on investments and intergovernmental revenues. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

C. Measurement Focus

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

D. Basis of Accounting

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

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

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

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

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

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

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

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

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

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

E. Budgetary Process

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

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources.

F. Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents." Investments with an original maturity of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. The Library followed Ohio statutes for the allocation of interest earnings among the Library's funds. Interest revenue credited to the General Fund for 2024 was \$460,184.

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

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

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

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

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

G. Inventory

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

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

H. Prepaid Items

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

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

I. Capital Assets

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

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

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

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

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

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

J. Compensated Absences

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

Vacation

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

Sick Leave

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

Comp Time

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints are imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Issuance Costs/Unamortized Bond Premium and Discount

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Position

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

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

O. Interfund Activity

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

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

P. Estimates

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Fair Value Measurements

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

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NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

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

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

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

B. Restatement of Net Position

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

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

C. Change within the Financial Reporting Entity

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Library into three categories: Active monies are public monies necessary to meet current demands on the Library treasury. Such monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Fiscal Officer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements are met;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, in an amount not to exceed forty (40) percent of the interim monies available for investment at any one time if training requirements have been met;
8. Written repurchase agreements in the securities described above in (1) or (2) provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days; and,
9. Star Ohio Plus-Bank Deposit Program for Public Fund Managers (FDIC insured).

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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

Deposits

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

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be one hundred two percent of the deposits being secured or a rate set by the Treasurer of State. The Library's financial institution was approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Library to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments

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

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

The weighted average of maturity of investments is 1.04 years.

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

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**STARK COUNTY DISTRICT LIBRARY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 1,328,771
Investments	<u>37,059,123</u>
Total	<u>\$ 38,387,894</u>
<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	<u>38,387,894</u>

NOTE 5 - GRANTS IN AID AND PROPERTY TAXES

Grants in Aid

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

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

Property Taxes

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

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

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

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

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

NOTE 6 - RECEIVABLES

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 7 - CAPITAL ASSETS

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 7 - CAPITAL ASSETS - (Continued)

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

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

NOTE 8 - LONG-TERM OBLIGATIONS

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

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

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

Compensated Absences

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

Net Pension Liability and Net OPEB Liability:

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

Lease Payable

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
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NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier	2022	3	2024	Monthly
Postage machine	2022	5	2026	Quarterly
Greater East Canton Community Building Lease	2020	10	2030	Monthly
Lake Local School BOE Building Lease	2018	2	2023	Monthly
2023 Lake Local School BOE Building Lease	2023	6	2029	Monthly
Dex Imaging Copier	2024	5	2029	Monthly
Nationwide Properties	2024	4	2028	Monthly

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

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

SBITA Payable

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Library Facilities Notes - Series 2018

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

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

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

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

Library Facilities Notes - Series 2020

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

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

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

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

**STARK COUNTY DISTRICT LIBRARY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Library Facilities Notes - Series 2024

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

The issue is comprised of general obligation notes, par value \$12,000,000. The interest rate on the notes range from 0.45% to 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2053. Principal and interest payments will be paid with public library fund monies out of the Debt Service Fund (Reimagine) (a nonmajor governmental fund). At year-end, there were \$8,912,693 in unspent proceeds.

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

<u>Year Ending December 31,</u>	<u>Library Facilities Notes - Series 2020</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 700,000	\$ 563,876	\$ 1,263,876
2026	185,000	528,876	713,876
2027	195,000	519,626	714,626
2028	205,000	509,876	714,876
2029	215,000	499,626	714,626
2030-2034	1,255,000	2,325,130	3,580,130
2035-2039	1,600,000	1,978,130	3,578,130
2040-2044	2,040,000	1,536,380	3,576,380
2045-2049	2,615,000	960,488	3,575,488
2050-2053	<u>2,590,000</u>	<u>272,252</u>	<u>2,862,252</u>
Total	<u>\$ 11,600,000</u>	<u>\$ 9,694,260</u>	<u>\$ 21,294,260</u>

NOTE 9 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2024, the Library obtained commercial insurance. Property insurance was for \$44,914,505 with a \$2,500 deductible. Valuable papers and records were for \$18,494,025 with a \$1,000 deductible. General liability for each occurrence is \$1,000,000 with an aggregate of \$2,000,000 limit and excess liability insurance with a \$5,000,000 limit. Automobile liability has a \$1,000,000 combined single limit of liability with a collision deductible of \$1,000 and a comprehensive deductible of \$1,000. Nonprofit Organization Directors and Officers Liability insurance was \$10,000,000 with a \$10,000 deductible.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability (Asset) and Net OPEB Asset

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

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

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

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

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

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

STARK COUNTY DISTRICT LIBRARY
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FOR THE YEAR ENDED DECEMBER 31, 2024
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Combined	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 221,326	\$ 8,821	\$ 230,147
Net difference between projected and actual earnings on pension plan investments	2,733,262	35,402	2,768,664
Changes of assumptions	-	8,084	8,084
Changes in employer's proportionate percentage/ difference between employer contributions	1,522,093	-	1,522,093
Contributions subsequent to the measurement date	1,035,510	35,063	1,070,573
Total deferred outflows of resources	<u>\$ 5,512,191</u>	<u>\$ 87,370</u>	<u>\$ 5,599,561</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 21,530	\$ 21,530
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 21,530</u>	<u>\$ 21,530</u>

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Actuarial Assumptions - OPERS

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

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

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS

Net OPEB Asset

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance 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 benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

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

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

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

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

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

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

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

Group A 30 years of qualified health care service credit;

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

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

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

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

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

Actuarial Assumptions - OPERS

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

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

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NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

Sensitivity of the Library's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

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

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

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

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

NOTE 12 - CONTINGENCIES

A. Grants

The Library receives significant financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the Library at December 31, 2023.

B. Litigation

The Library is not a party to legal proceedings.

NOTE 13 - OTHER COMMITMENTS

A. Other Commitments

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 13 - OTHER COMMITMENTS - (Continued)

B. Contractual Commitments

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

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

NOTE 14 - FUND BALANCES

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

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

APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client Stark County District Library, Ohio (the “Library”), in connection with the issuance of its \$26,000,000* Library Facilities Notes, Series 2025 (the “Notes”), dated the date of this letter, and issued for the purpose of paying costs of constructing, remodeling, renovating and otherwise improving, equipping and furnishing Library buildings and parts of Library buildings and other real property, and purchasing personal property, necessary for the proper maintenance and operation of the Library, including demolishing the existing Main Library, clearing, improving and equipping the site, and constructing, furnishing and equipping a new, approximately 70,000 square foot Main Library on the site.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Notes, a copy of the signed and authenticated Note of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Notes constitute valid and legal special obligations of the Library, and the principal of and interest (together, “Note Service Charges”) payable on the Notes, together with Note Service Charges on notes issued on a parity with the Notes, are payable solely from the money received by the Library from the Public Library Fund (as defined in Resolution No. 2025-____, adopted by the Board of Library Trustees on September 16, 2025 (the “Note Resolution”)), including the Note Retirement Fund (as defined in the Note Resolution), which are pledged for that payment. The Notes do not constitute a debt, or a pledge of the faith and credit of the State, the Library or any other political subdivision of the State, and the holders or owners of the Notes have no right to have taxes levied by the General Assembly or by the taxing authority of any political subdivision of the State, including the Library, for the payment of Note Service Charges.
2. Interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on, and any profit made on the sale, exchange or other disposition of, the Notes are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Notes.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Library.

* Preliminary; subject to change.

In rendering those opinions with respect to the treatment of the interest on the Notes under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Library. Failure to comply with certain of those covenants subsequent to issuance of the Notes may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Notes and the enforceability of the Notes are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Notes is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX E

Book-Entry System; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (September 2024). As such, the Library believes it to be reliable, but the Library takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Series 2025 Note issue by substituting “Series 2025 Notes” for “Securities,” “Library” for “Issuer” and “Note Registrar” for “registrar” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company (DTC), will act as securities depository for the Series 2025 Notes. The Series 2025 Notes will be issued as fully-registered securities 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 Series 2025 Notes (*and interest rate within a maturity*), each in the principal amount of such maturity, and will be deposited with and retained in the custody of DTC or its agent.

2. 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 Standard & Poor’s highest rating: AAA. 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 and www.dtc.org. (*These internet sites are included for reference only, and the information in these internet sites is not incorporated by reference in this Official Statement.*)

3. Purchases of Series 2025 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 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 Series 2025 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 Series 2025 Notes, except in the event that use of the book-entry system for the Series 2025 Notes is discontinued.

4. To facilitate subsequent transfers, all Series 2025 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 Series 2025 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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.

5. 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 Series 2025 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Notes, such as redemptions, tenders, defaults and proposed amendments to the Note documents. For example, Beneficial Owners of Series 2025 Notes may wish to ascertain that the nominee holding the Series 2025 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 Registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2025 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 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 Series 2025 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions and dividends (*debt charges payments*) on the Series 2025 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 City or the 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 Registrar, or the Library, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends (*debt charges*) 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 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.

9. (Not Applicable to the Series 2025 Notes.)

10. DTC may discontinue providing its services as depository with respect to the Series 2025 Notes at any time by giving reasonable notice to the Library or the 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.

11. 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 Revision of Book-Entry System; Replacement Series 2025 Notes.*)

12. The information above 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.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The Library and the Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests.

The Library and the Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The Library and the Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Series 2025 Notes made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Note proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Series 2025 Notes, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the Library and the Registrar to be the owner or holder of the Series 2025 Notes.

Beneficial Owners will not receive or have the right to receive physical delivery of Series 2025 Notes, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the Library and the Registrar to be, and will not have any rights as, owners or holders of Series 2025 Notes under the Series 2025 Note proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Series 2025 Notes

The Note proceedings provide for issuance of fully-registered Series 2025 Notes (Replacement Series 2025 Notes) directly to owners of Series 2025 Notes other than DTC only in

the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Series 2025 Notes. Upon occurrence of this event, the Library may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the Library does not do so, or is unable to do so, and after the Registrar has made provision for notification of the Beneficial Owners of the Series 2025 Notes by appropriate notice to DTC, the Library and the Registrar will authenticate and deliver Replacement Series 2025 Notes of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of Library action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Series 2025 Notes will be payable when due without deduction for the services of the Registrar as paying agent. Principal of and any premium on Replacement Series 2025 Notes will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Registrar. Interest on Replacement Series 2025 Notes will be payable on the interest payment date by the Registrar by transmittal to the registered owner of record on the Register as of the 15th day preceding the interest payment date. Replacement Series 2025 Notes will be exchangeable for other Replacement Series 2025 Notes of authorized denominations, and transferable, at the designated corporate trust office of the Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Series 2025 Notes is not required to be made: (i) between the 15th day preceding the mailing of notice of redemption of Replacement Series 2025 Notes and the date of that mailing, or (ii) of a particular Replacement Series 2025 Notes selected for redemption (in whole or part).

APPENDIX F

Proposed Form of Continuing Disclosure Agreement

\$26,000,000*

Stark County District Library, Ohio
Library Facilities Notes, Series 2025

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of October 23, 2025 (the Agreement), is made, signed and delivered by the **STARK COUNTY DISTRICT LIBRARY, OHIO**, a county library district and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio (the Library), for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the Library's \$26,000,000* Library Facilities Notes, Series 2025 (the Notes), authorized by Resolution No. 2025-__, adopted by the Board of Library Trustees of the Library on September 16, 2025 (the Note Resolution).

RECITAL

The Library, by adoption of the Note Resolution, has determined to issue the Notes to provide funds for Library purposes, and Stifel, Nicolaus & Company, Incorporated (the Participating Underwriter), has agreed to provide those funds to the Library by purchasing the Notes. As a condition to the purchase of the Notes from the Library and the sale of Notes to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the Library has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Notes, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Note Resolution, the Library covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter of the Notes in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the Library pursuant to, and as described in, Sections 3 and 4.

"Audited Financial Statements" means the audited basic financial statements of the Library, prepared in conformity with generally accepted accounting principles.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes

* Preliminary, subject to change.

through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <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, 2026 (as to the financial information and operating data described in Section 4(a), starting with such information and data for Fiscal Year 2025), and, as to the Audited Financial Statements, when and if available, starting with the Audited Financial Statements for Fiscal Year 2024, when and if available.

“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 an obligation or instrument described in either clause (i) or (ii). 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 of each year or such other 12-month period as the Library shall adopt as its fiscal year.

“Holder” means, with respect to the Notes, the person in whose name a Note is registered in accordance with the Notes Resolution.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Notes), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the Library is the only Obligated Person for the Notes.

“Official Statement” means the Official Statement for the Notes dated October ___, 2025.

“Participating Underwriter” means any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Specified Events” means any of the events with respect to the Notes as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The Library shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the Library may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the Library’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the Library is unable to provide to the MSRB an Annual Filing by the Filing Date, the Library shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB.

Section 4. Content of Annual Filing. The Library's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: **Public Library Fund, Ad Valorem Property Taxes – Assessed Valuation** (including the table of largest Library taxpayers), – **Collections** and – **Delinquencies**, together with information as to overlapping and Library tax rates, **Library Debt and Other Long-Term Obligations, Debt Tables A and B** and **Appendices A and B** (and as to **Appendix B**, for the most recently ended Fiscal Year).

(b) The Audited Financial Statements of the Library utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the Library to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Library or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The Library shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The Library shall provide (or cause to be provided) to the MSRB, in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Notes, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) 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 security (*i.e.*, the Notes), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Note calls, if material, and tender offers; (b)

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; (c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The Library has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Notes.*
- (b) *Any scheduled redemption of Notes pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the Notes is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6), (7), (8, as applicable), (10), (13), (14) and (15), the Library acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The Library reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity,

nature or status of the Library or type of business conducted by the Library. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Library shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the Library that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners, or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Notes then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the Library shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the Library from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the Library chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the Library shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Notes. The exclusive remedy for any breach of the Agreement by the Library shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the Library of its obligations under this Agreement in a court in the County of Stark, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the Library to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the Library to comply with this Agreement shall first provide at least 30 days' prior written notice to the Library of the Library's failure, giving reasonable detail of such failure, following which notice the Library shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Note Resolution, and the sole remedy under this Agreement in the event of any failure of the Library to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the Library of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the Library would be required to incur to perform those obligations. The Library shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the Library under the Agreement shall remain in effect only for such period that the Notes are outstanding in accordance with their terms and the Library remains an Obligated Person with respect to the Notes within the meaning of the Rule. The obligation of the Library to provide the information and notices of the events described above shall terminate, if and when the Library no longer remains such an Obligated Person. If any person, other than the Library, becomes an Obligated Person relating to the Notes, the Library shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The Library may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Library, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Library shall maintain records of all Annual Filings and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the Library has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Note proceedings and in connection with the original delivery of the Notes to the Participating Underwriter, on its behalf by its official signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Notes, shall be deemed to have accepted this Agreement made in accordance with the Rule.

**STARK COUNTY DISTRICT LIBRARY,
OHIO**

By: Exhibit – Not for Signature
President, Board of Library Trustees

By: Exhibit – Not for Signature
Executive Director

By: Exhibit – Not for Signature
Fiscal Officer

**CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT**

As fiscal officer of the Stark County District Library, Ohio, I certify that the amount required to meet the obligation of the Library under the Agreement made by the Library in accordance with the Rule, as set forth in the Note Resolution and the attached Continuing Disclosure Agreement, during Fiscal Year 2025 has been lawfully appropriated by the Library for such purpose and is in the Library treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 of the Revised Code.

Dated: October 23, 2025

Exhibit – Not for Signature

Fiscal Officer

Stark County District Library, Ohio